

Company No: 04285055

VINCOS LIMITED
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016

MONDAY



L5Z6SKHD

LD4

30/01/2017

#455

COMPANIES HOUSE

VINCOS LIMITED
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016

CONTENTS

	Pages
Company information	1
Strategic report	2
Directors' report	3 - 4
Auditor's report	5
Consolidated statement of comprehensive income	6
Statements of financial position	7
Consolidated statement of changes in equity	8
Company statement of changes in equity	9
Consolidated statement of cash flows	10
Accounting policies	11 - 14
Notes forming part of the financial statements	15 – 25

VINCOS LIMITED

COMPANY INFORMATION

Directors V A Tchenguiz BSc MBA
M D Watson BA FCA

Secretary A S Fitzpatrick ACA

Auditor RSM UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Registered Office 5th Floor
Leconfield House
Curzon Street
London
W1J 5JA

VINCOS LIMITED

STRATEGIC REPORT

Principal Activities and Review of the Business

The principal activities of the Group and Company during the year were the provision of support services, including treasury services and legal support, to its related parties, the provision of investment advisory services to its ultimate controlling party, the Tchenguiz Family Trust, in respect of its private equity and commercial and residential property investments, and the maintenance of existing offset transactions.

The Group has made a small operating profit before exceptional items and a substantial exceptional profit as a result of restructuring within the Group.

The Directors consider that in light of the current economic climate and the Company's role in providing treasury services and legal support to its ultimate holding company, its fellow subsidiaries, and related parties that are also ultimately controlled by the Tchenguiz Family Trust and in providing investment advisory services to its ultimate controlling party, that the result for the year was satisfactory.

Financial risks and key performance indicators

The Group has identified that its key risk results from its treasury function where it acts as an intermediary for providing finance to related companies. The risk is mitigated by structuring finance provided to related parties in line with the debt from which it is derived.

There is a further risk that the entities in which the Group has invested will not generate a positive return and that the value of the Group's investments may not be realised in full.

The Group does not seek to monitor its performance using any particular key performance indicators as a substantial portion of its business is the provision of services to its related entities. The Group, however, seeks to mitigate its risks through the monitoring of all investment decisions and businesses within the Group.

BY ORDER OF THE BOARD



Michael Watson
Director

.. 25 January 2017

VINCOS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 May 2016.

Directors

The following Directors have held office since 1 June 2015:

V A Tchenguiz
M D Watson

Dividends

The Directors do not recommend the payment of a dividend.

Charitable donations

During the year the Group made charitable donations of £74,310 (2015: £20,600).

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 Group and the Company and of the profit or loss of the Group 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 Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VINCOS LIMITED

DIRECTORS' REPORT (cont)

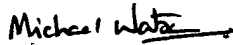
Statement as to disclosure of information to the auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

BY ORDER OF THE BOARD



Michael Watson

Director

... ²⁵ ... January 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VINCOS LIMITED

Opinion on financial statements

We have audited the Group and parent company financial statements (the "financial statements") on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent company's affairs as at 31 May 2016 and of the Group's 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on other matter prescribed by the companies act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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;

Respective responsibilities of directors and auditor

As more fully explained in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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.



Colin Roberts FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey GU1 1UN

25
..... January 2017

VINCOS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	2015 £
Turnover	1	10,824,416	16,386,667
Administrative expenses		(9,820,075)	(15,450,180)
Provision against group and related company debts		1,151,256	(679,454)
Other operating income	2	82,000	82,000
Group operating profit – before exceptional items		<u>2,237,597</u>	<u>339,033</u>
Exceptional items	3	6,328,813	31,711,097
Group operating profit – after exceptional items		<u>8,566,410</u>	<u>32,050,130</u>
Interest receivable and similar income	4	294,951	4,119,481
Interest payable and similar charges	5	(1,001,685)	(5,160,544)
Profit on ordinary activities before taxation	6	<u>7,859,676</u>	<u>31,009,067</u>
Taxation	10	-	-
Profit on ordinary activities after taxation and profit for the financial year		<u>7,859,676</u>	<u>31,009,067</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>7,859,676</u>	<u>31,009,067</u>
Profit for the year attributable to:			
Owners of the parent		<u>7,859,676</u>	<u>31,009,067</u>
Total comprehensive income for the year attributable to:			
Owners of the parent		<u>7,859,676</u>	<u>31,009,067</u>

VINCOS LIMITED

STATEMENTS OF FINANCIAL POSITION (Company Registration Number: 04285055)

AT 31 MAY 2016

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Fixed assets					
Tangible assets	11	224,794	271,427	38,763	42,735
Investments	12	-	-	2	2
		<u>224,794</u>	<u>271,427</u>	<u>38,765</u>	<u>42,737</u>
Current assets					
Debtors due within one year	13	8,583,162	25,746,583	8,410,635	25,860,207
Debtors due after more than one year	13	4,423,932	864,203	3,559,729	-
Total debtors		<u>13,007,094</u>	<u>26,610,786</u>	<u>11,970,364</u>	<u>25,860,207</u>
Cash at bank and in hand	14	3,592,787	4,799,501	3,570,461	4,786,843
		<u>16,599,881</u>	<u>31,410,287</u>	<u>15,540,825</u>	<u>30,647,050</u>
Current liabilities					
Creditors: Amounts falling due within one year	15	(53,107,938)	(36,074,831)	(52,101,431)	(35,367,318)
Net current liabilities		<u>(36,508,057)</u>	<u>(4,664,544)</u>	<u>(36,560,606)</u>	<u>(4,720,268)</u>
Total assets less current liabilities		<u>(36,283,263)</u>	<u>(4,393,117)</u>	<u>(36,521,841)</u>	<u>(4,677,531)</u>
Creditors: Amounts falling due after more than one year	16	(238,580)	(39,988,402)	-	(39,703,986)
Net liabilities		<u>(36,521,843)</u>	<u>(44,381,519)</u>	<u>(36,521,841)</u>	<u>(44,381,517)</u>
Capital and reserves					
Called up share capital	19	1	1	1	1
Profit and loss account		<u>(36,521,844)</u>	<u>(44,381,520)</u>	<u>(36,521,842)</u>	<u>(44,381,518)</u>
Total equity		<u>(36,521,843)</u>	<u>(44,381,519)</u>	<u>(36,521,841)</u>	<u>(44,381,517)</u>

The financial statements on pages 6 to 25 were approved by the Board of Directors and authorised for issue on 25 January 2017 and are signed on its behalf by:

Michael Watson

Michael Watson
Director

VINCOS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2016

	Share capital £	Profit & loss account £	Total £
Balance at 1 June 2014	1	(75,390,587)	(75,390,586)
Profit for the year	-	31,009,067	31,009,067
Total comprehensive income for the year	-	31,009,067	31,009,067
Balance at 31 May 2015	1	(44,381,520)	(44,381,519)
Profit for the year	-	7,859,676	7,859,676
Total comprehensive income for the year	-	7,859,676	7,859,676
Balance at 31 May 2016	1	(36,521,844)	(36,521,843)

VINCOS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MAY 2016**

	Share capital £	Profit & loss account £	Total £
Balance at 1 June 2014	1	(75,389,085)	(75,389,084)
Profit for the year	-	31,007,567	31,007,567
Total comprehensive income for the year	-	31,007,567	31,007,567
Balance at 31 May 2015	<u>1</u>	<u>(44,381,518)</u>	<u>(44,381,517)</u>
Profit for the year	-	7,859,676	7,859,676
Total comprehensive income for the year	-	7,859,676	7,859,676
Balance at 31 May 2016	<u>1</u>	<u>(36,521,842)</u>	<u>(36,521,841)</u>

VINCOS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2016

RECONCILIATION OF PROFIT AFTER TAX TO NET CASH (USED IN)/ GENERATED FROM OPERATIONS

	Notes	2016 £	2015 £
Profit after tax		7,859,676	31,009,067
Adjustments for:			
Exceptional items	4	(6,328,813)	(31,711,097)
Interest receivable and similar income	5	(294,951)	(4,119,481)
Interest payable and similar charges	6	1,001,685	5,160,544
Depreciation	11	52,467	53,780
Decrease in debtors		14,755,048	8,374,171
Decrease in creditors		(16,587,391)	(4,682,059)
Provision against group and related company debts		(1,151,256)	679,454
		(8,553,211)	(26,244,688)
Cash generated from operations		(693,535)	4,764,379

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2016 £	2015 £
Operating activities			
Cash generated from operations		(693,535)	4,764,379
Interest received		294,951	492,409
Interest paid		(802,296)	(919,863)
		(507,345)	(427,454)
Net cash (used in)/ from operating activities		(1,200,880)	4,336,925
Investing activities			
Purchase of tangible fixed assets	11	(5,834)	(5,348)
Net cash used in investing activities		(5,834)	(5,348)
Net (decrease)/increase in cash and cash equivalents		(1,206,714)	4,331,577
Cash and cash equivalents at beginning of year		4,799,501	467,924
Cash and cash equivalents at end of year		3,592,787	4,799,501

VINCOS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2016

ACCOUNTING POLICIES

General information

Vincos Limited ("the Company") is company limited by shares and is domiciled and incorporated in England and Wales, registration number 04285055.

The address of the Company's registered office is 5th Floor, Leconfield House, Curzon Street, London W1J 5JA and the address of its principal place of business is 35 Park Lane, London, W1K 1RB.

The Group consists of Vincos Limited and all of its subsidiaries.

The Company's and the Group's principal activities are shown in the Strategic Report.

Basis of accounting

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 presented in sterling, which is the functional currency of the Company and Group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

First time adoption of FRS 102

These consolidated and company financial statements are the first financial statements of Vincos Limited prepared in accordance with FRS 102. The consolidated and company financial statements of Vincos Limited for the year ended 31 May 2015 were prepared in accordance with previous UK GAAP. The date of transition was 1 June 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. The transition to FRS 102 has resulted in changes to presentation and disclosure requirements, but it has not resulted in any changes to accounting policies previously adopted. Consequently, there have been no adjustments to equity at the date of transition or to earnings reported in the comparative year. The Directors have taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reduced disclosures

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:-

- 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' & 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 33 'Related Party Disclosures' – Compensation for key management personnel

Company statement of comprehensive income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit for the year and total comprehensive income for the year were £7,859,676 (2015: £31,007,567) and £7,859,676 (2015: £31,007,567) respectively.

VINCOS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2016

ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements incorporate those of Vincos Limited and all of its subsidiary undertakings for the year. Subsidiaries are consolidated using the acquisition method. Results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment. All financial statements are made up to 31 May.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

The Directors have reviewed the Group's working capital needs including the needs of the Group's operations and the portfolio management and the treasury function it carries out for its ultimate controlling party, the Tchenguiz Family Trust, and its fellow subsidiaries and related companies. The Directors have also assessed the continuation and availability of support being provided by V Tchenguiz, Rotch Property Group Limited and Fairhold Services Limited (see note 22) and have determined that the Group has, or can expect to have, sufficient working capital for its needs for at least 12 months from the date of signing of these accounts. The Directors have further considered the net liabilities of the Group and Company and whether this impacts on the Group's and Company's ability to continue as a going concern and have assessed that with the support available from V Tchenguiz, Rotch Property Group Limited and Fairhold Services Limited as set out in note 22, that the working capital available is sufficient to meet its liabilities as they fall due. In view of this the Directors consider it appropriate to prepare the accounts on the going concern basis.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All translation differences are taken to the profit and loss account.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the provision of services in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

Other operating income

Rental income on assets leased under operating leases is recognised in the profit and loss account on an accruals basis over the term of the lease. The effect of rent reviews is only recognised when such reviews have been agreed with tenants. Where rents are subject to fixed indexation in lieu of rent reviews, the rents are recognised on a systematic basis as income in the periods in which they are earned.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

Retirement benefits

Defined contribution plans

The Company operates a work place defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

VINCOS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2016

ACCOUNTING POLICIES

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over the expected useful life as follows:

Fixtures, fittings and computer equipment	-	25% per annum (reducing balance basis)
Leasehold improvements	-	Period of lease (from date of occupation)

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in profit or loss.

Financial instruments

The Group and Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Group and Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

VINCOS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2016

ACCOUNTING POLICIES

Financial instruments (continued)

Basic financial assets

Basic financial assets, which include trade, loans to group and related parties, other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets 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. The impairment loss is recognised in profit or loss.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from group and related companies, 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 payments discounted at a market rate of interest.

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

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received, net of direct issue costs. The Company has only basic financial instruments and has not chosen to designate financial instruments as at fair value through profit or loss.

Leases

The Group as lessee – operating leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases. Where a rent free period is included in a lease, the total rent payable under the lease to the termination date is allocated evenly over the period of the lease.

The Group as lessor – operating leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The Directors do not consider any estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

The Directors do not consider there are critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

1. Turnover

Turnover represents income from the Group's principal activities, the provision of services, wholly undertaken in the United Kingdom.

2. Other operating income

	2016 £	2015 £
Rent receivable	82,000	82,000

3. Exceptional items

	2016 £	2015 £
Novation of related party balance	199,489	31,711,097
Waiver of related party balance	6,129,324	-
	<u>6,328,813</u>	<u>31,711,097</u>

Vincos Limited called its Deed of Guarantee with Solitaire Real Estate Holdings Limited in September 2014, resulting in the offset of loan notes due from Meadsand Limited with amounts due to Solitaire Real Estate Holdings Limited. The net remaining balance of £31,711,097 was formally waived in July 2015 and, as this represented the final fruition of restructuring planned and envisaged prior to the year ended 31 May 2015, the waiver of this debt was reflected in the comparative financial statements as an adjusting post balance sheet event. The credit in the current period of £199,489 relates to the novation of interest charged on the balance up until July 2015.

In April 2016 Sportdale, a related party, waived its right to amounts owed by Vincos Limited of £6,129,324.

4. Interest receivable and similar income

	2016 £	2015 £
Interest receivable from group undertakings	279,934	479,517
Interest receivable from related undertakings	7,358	3,634,924
Bank interest receivable	4,152	1,548
Other interest receivable	3,507	3,492
	<u>294,951</u>	<u>4,119,481</u>

5. Interest payable and similar charges

	2016 £	2015 £
Interest payable to group undertakings	719,958	725,438
Interest payable to related undertakings	281,727	4,435,106
	<u>1,001,685</u>	<u>5,160,544</u>

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

6. Profit on ordinary activities before taxation

	2016 £	2015 £
This is stated after charging:		
Depreciation on tangible fixed assets	52,467	53,780
Exchange (gains)/ losses	(8,980)	678,753
Operating lease rentals - land and buildings	851,441	714,423
Operating lease rentals - plant and machinery	63,270	51,852

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2016 £	2015 £
Audit services:		
Company and consolidation	13,450	23,600
Related and subsidiary companies	2,800	4,250
Other services:		
Taxation compliance services	400	4,281
	<u>16,650</u>	<u>32,131</u>

7. Employees and Directors

	2016	2015
The average number of employees (including directors) during the year was:-	No.	No.
Management and administration	29	32
	<u>£</u>	<u>£</u>
Staff costs for the above persons:		
Wages and salaries	4,527,753	6,316,753
Pension costs	30,240	-
Social security costs	599,139	837,623
	<u>5,157,132</u>	<u>7,154,376</u>
Directors' emoluments:		
Emoluments for qualifying services	851,701	701,253
Company contributions to money purchase pension schemes	3,600	-
	<u>855,301</u>	<u>701,253</u>

The emoluments of the highest paid Director were £777,559 (2015: £623,939).

One Director accrued retirement benefits during the year (2015: None).

8. Remuneration of key management personnel

The total remuneration of the Directors and members of management, who are considered to be the key personnel of the Group and Company, was £855,301 (2015: £701,253).

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

9. Retirement benefits

The Company operates a work place pension defined contribution scheme whose assets are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amounted to £30,240 (2015: £nil). Contributions outstanding at 31 May 2016 amounted £15,823 (2015: £nil) which were paid after the year end.

10. Taxation

	2016 £	2015 £
Current tax:		
UK Corporation tax	-	-
Total tax on profit on ordinary activities	-	-

Factors affecting current tax charge for year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (20%). The differences are explained below:

Profit on ordinary activities before taxation	7,859,676	31,009,067
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax 20% (2015: 20%)	1,571,935	6,201,813
Effects of:		
Non deductible expenses	19,132	6,955
Provision against loans to group companies	(230,271)	122,387
Exceptional items	(1,265,743)	(6,342,219)
UK transfer pricing	(54,708)	36,522
Tax losses utilised	(26,162)	(14,740)
Accelerated capital allowances not recognised as deferred tax	10,495	(10,718)
Group relief received without charge	(24,678)	-
Tax expense	-	-

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

11. Tangible fixed assets

	Leasehold improvements £	Group Fixtures, Fittings & computer equipment £	Total £	Company Fixtures, Fittings & computer equipment £
Cost				
At 1 June 2015	594,455	148,448	742,903	148,448
Additions	-	5,834	5,834	5,834
At 31 May 2016	594,455	154,282	748,737	154,282
Depreciation				
At 1 June 2015	365,763	105,713	471,476	105,713
Charge for the year	42,661	9,806	52,467	9,806
At 31 May 2016	408,424	115,519	523,943	115,519
Carrying amount				
At 31 May 2016	186,031	38,763	224,794	38,763
At 31 May 2015	228,692	42,735	271,427	42,735

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

12. Fixed asset investments

Company

	Shares in group undertakings
Cost and carrying amount	£
At 1 June 2015 and 31 May 2016	2

Subsidiary undertakings

Details of the Company's subsidiary undertakings, all of which are registered in England and Wales, are given below.

<i>Name of undertaking</i>	<i>Nature of business</i>	<i>Ownership</i>	<i>Class of shareholding</i>
Consensus Business Group Limited	Dormant	100%	Ordinary
Walkvalley Limited	Property letting	100%	Ordinary

13. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<i>Amounts due within one year:</i>				
Trade debtors	-	13,175	-	13,175
Amounts owed by group undertakings	6,124,613	19,494,321	6,646,539	20,138,238
Amounts owed by related undertakings	-	1,393,980	-	1,393,980
Other debtors	281,054	860,556	306,120	879,915
Prepayments and accrued income	2,177,495	3,984,551	1,457,976	3,434,899
	<u>8,583,162</u>	<u>25,746,583</u>	<u>8,410,635</u>	<u>25,860,207</u>
<i>Amounts due after more than one year:</i>				
Other debtors	864,203	864,203	-	-
Amounts owed by group undertakings	3,559,729	-	3,559,729	-
	<u>13,007,094</u>	<u>26,610,786</u>	<u>11,970,364</u>	<u>25,860,207</u>

The amounts owed by group undertakings within one year are interest free and have no fixed repayment dates and are therefore classified as short term.

The amount owed by group undertakings after more than one year is subordinated to the bank debt within the group undertaking and earns interest at an average rate of 6.2% (2015: 6.1%). The bank debt in the group undertaking is not due to be settled in full until 2031.

14. Cash at bank and in hand

Included in the Group and Company's cash at bank is £250,626 (2015: £250,499) of funds that are, effectively, not freely available as the funds are required to support the Group and Company's BACS payment facility.

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

15. Creditors: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	1,003,496	760,525	126,856	158,607
Amounts owed to related undertakings	49,351,038	30,925,995	49,351,038	30,925,995
Other taxation and social security costs	128,169	140,116	128,169	140,116
Other creditors	413,480	407,399	350,000	350,000
Accruals and deferred income	2,211,755	3,840,796	2,145,368	3,792,600
	<u>53,107,938</u>	<u>36,074,831</u>	<u>52,101,431</u>	<u>35,367,318</u>

Included within amounts owed to related undertakings is £25,555,682 (2015: £30,925,995) which is interest free and has no fixed repayment date. An amount of £23,795,155 (2015: £Nil) incurred interest at an average rate of 1.5% and has no fixed repayment date.

The principal related party creditors have agreed not to demand repayment of the amounts due to them should that result in the Group not being able to meet its obligations in the normal course of business for at least 12 months from the date of signing of these financial statements (see note 22).

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts owed to group undertakings	-	29,472,337	-	29,472,337
Amounts owed to related undertakings	-	10,231,649	-	10,231,649
Accruals and deferred income	238,580	284,416	-	-
	<u>238,580</u>	<u>39,988,402</u>	<u>-</u>	<u>39,703,986</u>

Group

The amounts falling due after more than one year are repayable as follows:

	2016	2015
	£	£
Repayable between two and five years	238,580	6,019,559
Repayable in more than five years	-	33,968,843
	<u>238,580</u>	<u>39,988,402</u>

Company

The amounts falling due after more than one year are repayable as follows:

	2016	2015
	£	£
Repayable between two and five years	-	5,811,743
Repayable in more than five years	-	33,892,243
	<u>-</u>	<u>39,703,986</u>

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

17. Deferred taxation

The analysis of the unprovided deferred tax position is as follows:

	Group		Company	
	2016	2015	2016	2015
	Unprovided		Unprovided	
	£	£	£	£
Excess of depreciation over tax allowances	271,617	291,303	99,093	108,142
Tax losses available	2,143,025	2,407,301	2,089,987	2,349,555
	<u>2,414,642</u>	<u>2,698,603</u>	<u>2,189,080</u>	<u>2,457,697</u>

The deferred tax asset has not been recognised as the transfer of economic benefits in the future is uncertain.

18. Financial instruments

The carrying amounts of the Group and Company's financial instruments at 31 May were:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Financial assets				
Debt instruments measured at amortised cost	<u>12,261,970</u>	<u>25,964,522</u>	<u>11,927,964</u>	<u>25,841,250</u>
Financial liabilities				
Measured at amortised cost	<u>53,175,366</u>	<u>75,916,450</u>	<u>51,936,946</u>	<u>74,931,188</u>

19. Share capital and reserves

	2016	2015
	£	£
Share capital		
Allotted, issued and fully paid:		
Equity		
1 ordinary share of £1	<u>1</u>	<u>1</u>

Ordinary share rights

The Company's ordinary share, which carries no right to fixed income, carries the right to one vote at general meetings of the Company.

Reserves

Reserves of the Group and Company represent cumulative profit and loss net of distributions to owners.

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

20. Commitments under operating leases

The Group as lessee:

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016		2015	
	Land and buildings £	Other £	Land and buildings £	Other £
Amounts due:-				
Within 1 year	962,193	59,888	742,941	27,063
Within 2 - 5 years	3,242,459	-	2,971,764	-
Over 5 years	-	-	274,786	-

The Company as lessee:

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Other	
	2016 £	2015 £
Amounts due:-		
Within 1 year	59,888	27,063

21. Contingencies and guarantees

The Company has undertaken to provide limited financial support to certain of its subsidiary undertakings and to certain of its related party undertakings which are ultimately controlled by the Tchenguiz Family Trust, to assist them in meeting their operational costs as they arise should this be necessary.

The Company receives claims from time to time during the course of its business. Provisions are made if the claim is considered to be likely to succeed and the amounts involved can be reasonably assessed.

22. Related party transactions

The Group and Company provide funding to and receive funding from, the Tchenguiz Family Trust and certain companies controlled by the Tchenguiz Family Trust or companies in which The Trust has a significant interest. Details of the related party balances and transactions are set out below.

The Company has taken advantage of the exemptions provided by Chapter 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group. Group balances and transactions where less than 100% of the voting rights are controlled within the group and related party balances and transactions are as follows:

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

22. Related party transactions (continued)

Included in:	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Amounts owed by related parties				
Fairhold Services Limited	-	1,393,980	-	1,393,980
Amounts due within one year	-	1,393,980	-	1,393,980
Interest receivable from above related parties	7,358	3,634,924	7,358	3,634,924
Included in:	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Amounts owed to related parties				
Fairhold Services Limited	23,795,155	-	23,795,155	-
Prime Estates Property Management Limited	19,200	90,000	19,200	90,000
Proxima Property TopCo Limited and subsidiaries	-	4,419,906	-	4,419,906
Rotch Property Group Limited	24,907,604	24,774,712	24,907,604	24,774,712
Sportdale Limited	-	5,811,743	-	5,811,743
V Tchenguiz (Director)	629,079	6,061,283	629,079	6,061,283
	49,351,038	41,157,644	49,351,038	41,157,644
Amounts due within one year	49,351,038	30,925,995	49,351,038	30,925,995
Amounts due after more than one year	-	10,231,649	-	10,231,649
	49,351,038	41,157,644	49,351,038	41,157,644
Interest payable to above related parties	281,033	4,435,106	281,033	4,435,106

Rotch Property Group Limited and Fairhold Services Limited have agreed not to demand repayment of the amounts due to them should that result in the Group not being able to meet its obligations in the normal course of business for at least 12 months from the date of signing of these financial statements.

The terms of amounts owed from and to related parties and groups are discussed in notes 13 and 15 respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

22. **Related party transactions (continued)**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Fees payable to related parties (included in administrative expenses):				
Prime Estates Property Management Limited	177,000	205,000	177,000	205,000

Liabilities of £6,129,324 (2015: £Nil) were waived by Sportdale Limited during the period, see note 3 for further details.

VINCOS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

23. Ultimate parent and ultimate controlling party

The immediate parent company is Ciano Investments Limited, a company incorporated in the British Virgin Islands.

The ultimate parent company is Amora Investments Limited, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

24. First time adoption of FRS 102

There were no transitional adjustments to equity or to the profit for the year to 31 May 2015 as a result of the transition to FRS 102.