

Company Registration No. 4285852 (England and Wales)

AMENDED

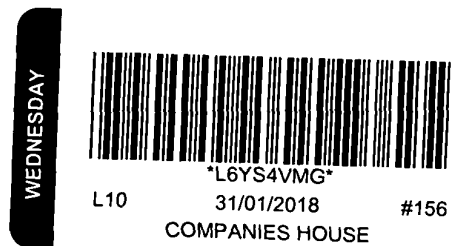
PROUDSTATE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

PAGES FOR FILING WITH REGISTRAR

**REGISTRAR'S COPY
OF ACCOUNTS**



**Cavendish
Chartered Certified Accountants
68 Grafton Way
London
W1T 5DS**

Ref: 5350

PROUDSTATE LIMITED

COMPANY INFORMATION

Directors	A M Khalastchi P S D Khalastchi
Secretary	A K Tanna
Company number	4285852
Registered office	68 Grafton Way London W1T 5DS
Auditor	Cavendish Chartered Certified Accountants Statutory Auditor 68 Grafton Way London W1T 5DS
Business address	3 Court Lodge 48 Sloane Square London SW1W 8AT
Bankers	HSBC Bank Plc 18a Curzon Street London W1J 7LA
Solicitors	Wallace LLP 1 Portland Place London W1B 1PN

PROUDSTATE LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 6

PROUDSTATE LIMITED

BALANCE SHEET

AS AT 30 APRIL 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Stocks		870,000		982,000	
Debtors	3	132,177		3,286,083	
Cash at bank and in hand		406		42	
		<u>1,002,583</u>		<u>4,268,125</u>	
Creditors: amounts falling due within one year	4	<u>(1,002,481)</u>		<u>(4,268,023)</u>	
Net current assets			102		102
Capital and reserves					
Called up share capital	5		102		102

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 31 January 2018 and are signed on its behalf by:


P S D Khalastchi
Director

Company Registration No. 4285852

PROUDSTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

Company information

Proudstate Limited is a private company limited by shares incorporated in England and Wales. The registered office is 68 Grafton Way, London, W1T 5DS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sales of properties.

Revenue from the sale of properties is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer (usually on completion of contracts), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Stocks

Property stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises the purchase costs of properties and, where applicable, direct costs that have been incurred in bringing the stocks to their present location and condition.

Cost of stocks comprises purchase costs of properties which are allocated to the specific properties to which they relate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PROUDSTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

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

PROUDSTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

1.7 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.8 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

2 Financial instruments

	2017 £	2016 £
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	-	350,821

3 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	3,000	-
Participator's loan account (note 10)	95,854	3,250,832
Other debtors	33,323	35,251
	132,177	3,286,083

4 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	-	3,833,082
Trade creditors	2,626	637
Amounts due to group undertakings	985,000	48,000
Other taxation and social security	1,250	4,625
Other creditors	13,605	381,679
	1,002,481	4,268,023

Bank loans are secured by fixed charges over the company's property stocks and cross guarantees provided by related parties.

PROUDSTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

5 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
102 ordinary shares of £1 each	102	102

6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was A K Malhotra FCCA ACA.
The auditor was Cavendish.

7 Financial commitments, guarantees and contingent liabilities

The company is a party to an unlimited cross-guarantee with companies in the Flodrive Holdings Limited's group for certain bank facilities provided to the group. The security for these facilities include fixed charges over certain of company's property stocks. As at 30 April 2017, the maximum potential liability was £10,084,732 (2016: £26,339,633).

8 Related party transactions

The beneficial owner of the company is Flodrive Holdings Limited (100%). The transactions that took place with the beneficial owner are described below.

	At 1 May 2016	(Funding)/ drawings	Share of joint venture	At 30 April 2017
Joint venture participators' loan accounts				
Flodrive Holdings Limited	3,250,832	(3,269,052)	114,074	95,854

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Licence fees & insurance income		Overheads & Licence fees	
	2017 £	2016 £	2017 £	2016 £
Other related parties	47,771	49,054	9,157	9,396

PROUDSTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

8 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017 £	2016 £
Entities with control, joint control or significant influence over the company	985,000	48,000
Other related parties	311	304
	<u>985,311</u>	<u>48,304</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2017		Amounts owed by related parties 2016	
	Balance £	Net £	Balance £	Net £
Other related parties	33,323	33,323	35,251	35,251
	<u>33,323</u>	<u>33,323</u>	<u>35,251</u>	<u>35,251</u>