

Company Registration No. 04827515 (England and Wales)

ABBHEY COMMERCIAL LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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ABBHEY COMMERCIAL LTD

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | B Ackerman N Ackerman |
| Company number | 04827515 |
| Registered office | 233-237 Old Marylebone Road London NW1 5QT |
| Auditor | Wilder Coe Ltd Chartered Accountants & Statutory Auditors 233-237 Old Marylebone Road London NW1 5QT |

ABBEY COMMERCIAL LTD

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The following pages do not form part of the statutory financial statements:

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ABBEY COMMERCIAL LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

These financial statements present the performance and position of the company for the second full year of trading following the group restructuring in 2014.

During the year ended 31 December 2016, the company's net assets increased from £55.7M at 31 December 2015 to £60.9M, attributable mainly to the upward revaluation of investment properties, resulting from the pro-active management of properties and capital expenditure.

This does not reflect any change in the net assets of the company's subsidiaries, whose results have not been consolidated into these financial statements.

The company's short and medium terms objectives are:

- To actively manage and enhance the value of its property investment portfolio
- To complete one major residential development project in London in 2018
- To complete a number of other refurbishment projects and "permitted development" conversions
- To plan ahead for scheduled loan repayments in late 2017 and in 2019
- To continue to develop management and reporting systems, to meet the needs of both management and external stakeholders.

We have made progress towards meeting these objectives. In particular:

- Progress continues to be made with various planning applications
- We have completed a number of residential conversion projects, and successfully let new units
- We have sold one property in 2016 for £1.9M and transferred one further property to another group company
- We continue to complete new letting, lease renewals, and rent reviews across the portfolio.

The principal operational risks faced by the company are those of general market and economic risks in common with other businesses in the property sector.

The company and its subsidiaries hold in excess of 100 properties, in London, the South-East and South Coast, with a mix of commercial and residential units and a substantial ground rent portfolio. The diversity of the company's portfolio provides some measure of protection against adverse market conditions and economic risks.

The company's exposure to increases in bank base rate has been largely mitigated by way of an interest-rate swap. The company continues to meet its bank loan covenants.

On behalf of the board

B Ackerman
Director

19 September 2017

ABBHEY COMMERCIAL LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and audited financial statements for the year ended 31 December 2016.

Principal activity

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B Ackerman

N Ackerman

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditors

Wilder Coe Ltd were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom 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 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 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.

ABBEY COMMERCIAL LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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.

On behalf of the board

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B Ackerman

Director

19 September 2017

ABBHEY COMMERCIAL LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBHEY COMMERCIAL LTD

We have audited the financial statements of Abbey Commercial Ltd for the year ended 31 December 2016 set out on pages 6 to 17. 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".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic Report and the Directors' Report.

ABBHEY COMMERCIAL LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ABBHEY COMMERCIAL LTD

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, 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.



Mark Saunders BA FCA (Senior Statutory Auditor)
for and on behalf of Wilder Coe Ltd

19th September 2017

Chartered Accountants & Statutory
Auditors
233-237 Old Marylebone Road
London
NW1 5QT

ABBAY COMMERCIAL LTD

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2016

| | Notes | 2016 £ | 2015 £ |
|---|-------|------------------|--------------------|
| Turnover | 3 | 12,970,428 | 12,540,796 |
| Cost of sales | | (5,871,826) | (5,555,021) |
| Gross profit | | 7,098,602 | 6,985,775 |
| Administrative expenses | | (8,474) | (43,040) |
| Operating profit | 4 | 7,090,128 | 6,942,735 |
| Interest receivable and similar income | 6 | 64 | 520 |
| Interest payable and similar charges | 7 | (5,210,114) | (5,518,554) |
| Revaluation of investment properties | 8 | 3,324,755 | 1,387,275 |
| Profit on sale of investment properties | | 7,332 | - |
| Profit before taxation | | 5,212,165 | 2,811,976 |
| Taxation | 9 | (49,742) | 632,793 |
| Profit for the financial year | | 5,162,423 | 3,444,769 |
| Retained earnings at 1 January 2016 | | (1,783,264) | (5,228,033) |
| Retained earnings at 31 December 2016 | | <u>3,379,159</u> | <u>(1,783,264)</u> |

The notes on pages 8 to 17 form part of these statements.

ABBEEY COMMERCIAL LTD

BALANCE SHEET

AS AT 31 DECEMBER 2016

| | Notes | 2016 £ | £ | 2015 £ | £ |
|--|-------|--------------------|-------------------|--------------------|---|
| Fixed assets | | | | | |
| Investment properties | 10 | 175,165,252 | | 174,222,399 | |
| Investments | 11 | 17,659,002 | | 17,658,922 | |
| | | <u>192,824,254</u> | | <u>191,881,321</u> | |
| Current assets | | | | | |
| Debtors | 13 | 17,610,896 | 16,689,799 | | |
| Cash at bank and in hand | | 2,841,181 | 2,508,915 | | |
| | | <u>20,452,077</u> | <u>19,198,714</u> | | |
| Creditors: amounts falling due within one year | 14 | (11,367,105) | (8,937,162) | | |
| Net current assets | | <u>9,084,972</u> | | <u>10,261,552</u> | |
| Total assets less current liabilities | | <u>201,909,226</u> | | <u>202,142,873</u> | |
| Creditors: amounts falling due after more than one year | 15 | (131,395,715) | (136,841,527) | | |
| Provisions for liabilities | 18 | (9,656,083) | (9,606,341) | | |
| Net assets | | <u>60,857,428</u> | | <u>55,695,005</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 19 | 4 | 4 | | |
| Share premium account | | 57,478,265 | 57,478,265 | | |
| Profit and loss reserves | | 3,379,159 | (1,783,264) | | |
| Total equity | | <u>60,857,428</u> | | <u>55,695,005</u> | |

The financial statements were approved by the board of directors and authorised for issue on 19 September 2017 and are signed on its behalf by:

.....
B Ackerman
Director

Company Registration No. 04827515

ABBHEY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Abbey Commercial Ltd is a company limited by shares incorporated in England and Wales. The registered office is 233-237 Old Marylebone Road, London, NW1 5QT.

1.1 Accounting convention

The financial statements have been prepared on the historical cost convention and 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 prepared in GBP sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £ (GBP).

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of exemptions from the following disclosure requirements, as permitted by FRS 102:

- the requirements of Section 7 'Statement of Cash Flows';
- the requirements of Section 3 'Financial Statement Presentation' - paragraph 3.17 (d);
- the requirement of Section 33 'Related Party Disclosures' - paragraph 33.1A

This information is included in the consolidated financial statements of Bana One Limited as at 31 December 2016. These consolidated financial statements may be obtained from 235 Old Marylebone Road, London, NW1 5QT.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Turnover

Turnover comprises rental and other property related income exclusive of VAT.

Turnover in respect of rental income, lease premiums, insurance and other recharges of property related expenditure is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding value added tax.

1.3 Investment properties

Investment properties are carried at fair value, determined annually by the directors on the basis of open market value for its current use. No depreciation is provided in relation to investment properties. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the Statement of Income and Retained Earnings.

1.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

ABBEY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.6 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 assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off.

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price.

Short term creditors are measured at cost/transaction price and not amortised.

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

Other financial liabilities

Derivatives, including interest rate swaps, 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 each reporting date at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Income and Retained Earnings, 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.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in Statement of Income and Retained Earnings.

ABBEEY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Current tax

The company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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 is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is charged or credited in the profit and loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.8 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received in the year relate to capital works undertaken, and grant income has been credited against fixed asset additions.

2 Judgements and key sources of estimation uncertainty

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Directors Valuation of Investment Properties

Investment properties are valued by a director who is a chartered surveyor. In arriving at valuations, the director must make judgements about the specific circumstances of each property, as well as macro-economic conditions.

Financial Instruments

A further area of judgement is the fair value measurement of an interest rate swap derivative. Fair value has been measured at the net present value of future committed cash outflows, calculated using the relevant interest rates in force at the balance sheet date, and discounting at an appropriate rate.

ABBEY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover

An analysis of the company's turnover is as follows:

| | 2016 £ | 2015 £ |
|------------------|-------------------|-------------------|
| Turnover | | |
| Rent receivable | 11,730,272 | 11,236,263 |
| Lease extensions | 114,700 | 123,000 |
| Other | 1,125,456 | 1,181,533 |
| | <u>12,970,428</u> | <u>12,540,796</u> |

Turnover analysed by geographical market

| | 2016 £ | 2015 £ |
|----------------|-------------------|-------------------|
| United Kingdom | <u>12,970,428</u> | <u>12,540,796</u> |

4 Operating profit

Operating profit for the year is stated after charging:

Fees payable to the company's auditor for the audit of the company's financial statements

| | 2016 £ | 2015 £ |
|--|-----------|---------------|
| | - | 28,750 |
| | <u>-</u> | <u>28,750</u> |

This year the audit fees have been charged to the parent company.

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2016 Number | 2015 Number |
|--|----------------|----------------|
| | <u>2</u> | <u>2</u> |

6 Interest receivable and similar income

| | 2016 £ | 2015 £ |
|-----------------------|-----------|------------|
| Other interest income | <u>64</u> | <u>520</u> |

ABBAY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Interest payable and similar charges

| | 2016 £ | 2015 £ |
|---|------------------|------------------|
| Interest on bank overdrafts and loans | 6,287,550 | 6,664,961 |
| Fair value adjustments on interest rate swaps | (1,134,691) | (1,146,407) |
| | <u>5,210,114</u> | <u>5,518,554</u> |

8 Revaluation of investment properties

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Changes in the fair value of investment properties | 3,324,755 | 1,387,275 |
| | <u>3,324,755</u> | <u>1,387,275</u> |

9 Taxation

| | 2016 £ | 2015 £ |
|--|---------------|------------------|
| Deferred tax | | |
| Origination and reversal of timing differences | 49,742 | (632,793) |
| | <u>49,742</u> | <u>(632,793)</u> |

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

| | 2016 £ | 2015 as restated £ |
|--|---------------|--------------------------|
| Profit before taxation | 5,212,165 | 2,811,976 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%) | 1,042,433 | 562,395 |
| Income not taxable | (24,406) | - |
| Chargeable gains | 156,825 | - |
| Utilisation of brought forward losses | - | (126,172) |
| Increase/(decrease) in deferred tax charge | 49,742 | (632,793) |
| Other timing differences | (88,570) | (88,570) |
| Changes in fair value of property not taxable | (664,951) | (277,455) |
| Utilisation of group losses | (421,331) | (70,198) |
| Tax expense for the year | <u>49,742</u> | <u>(632,793)</u> |

There were no factors that may affect future tax charges.

ABBHEY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Investment property

| | 2016 £ |
|--|-------------|
| Valuation | |
| At 1 January 2016 | 174,222,399 |
| Additions | 1,085,979 |
| Disposals | (3,467,881) |
| Net gains or losses through fair value adjustments | 3,324,755 |
| | <hr/> |
| At 31 December 2016 | 175,165,252 |
| | <hr/> |

The fair value of investment property has been determined by one of the directors of the company, who is a chartered surveyor. Fair value has been determined by reference to, inter-alia, independent surveys, marketing reports, letting status, planning status and physical inspection of properties.

ABBAY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Fixed asset investments

| | Shares in group undertakings £ |
|--------------------------|---|
| Cost or valuation | |
| At 1 January 2016 | 17,658,922 |
| Additions | 80 |
| | <hr/> |
| At 31 December 2016 | 17,659,002 |
| | <hr/> |
| Carrying amount | |
| At 31 December 2016 | 17,659,002 |
| | <hr/> <hr/> |
| At 31 December 2015 | 17,658,922 |
| | <hr/> <hr/> |

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

| Name of undertaking and country of incorporation or residency | | Nature of business | Class of shareholding | % Held Direct |
|--|----------------------|---------------------|--------------------------|------------------|
| CH Chesterford Limited | England and Wales | Property investment | Ordinary | 100.00 |
| Downham Limited | England and Wales | Property investment | Ordinary | 100.00 |
| Sledgehammer Holdings Company Limited | England and Wales | Property investment | Ordinary | 100.00 |
| Vinehall Estates Limited | England and Wales | Property investment | Ordinary | 100.00 |

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

| Name of undertaking | Profit/(Loss) £ | Capital and Reserves £ |
|---------------------------------------|--------------------|------------------------------|
| CH Chesterford Limited | 2,136,693 | 12,079,413 |
| Downham Limited | 450,529 | 549,280 |
| Sledgehammer Holdings Company Limited | 166,792 | 3,244,325 |
| Vinehall Estates Limited | 1,838 | 247,608 |

The reserves figure of Sledgehammer Holdings Company Limited above does not include the reserves of its two subsidiary companies, Sledgehammer Properties Limited and Roadrunner Properties Limited.

ABBAY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Debtors

| | 2016 | 2015 |
|---|-------------------|-------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 990,064 | 613,746 |
| Amount due from parent undertaking | 2,185,225 | - |
| Amounts due from fellow group undertakings | 11,092,888 | 11,142,369 |
| Other debtors | 2,869,116 | 4,538,551 |
| Prepayments and accrued income | 473,603 | 395,133 |
| | <u>17,610,896</u> | <u>16,689,799</u> |

14 Creditors: amounts falling due within one year

| | 2016 | 2015 |
|-----------------------------------|-------------------|------------------|
| | £ | £ |
| Trade creditors | 2,292,596 | 1,012,768 |
| Amounts due to group undertakings | 5,425,466 | 4,001,939 |
| Other creditors | 1,022,142 | 626,223 |
| Accruals and deferred income | 2,626,901 | 3,296,232 |
| | <u>11,367,105</u> | <u>8,937,162</u> |

15 Creditors: amounts falling due after more than one year

| | 2016 | 2015 |
|------------------------------|--------------|--------------------|
| | £ | £ |
| | Notes | |
| Bank loans and overdrafts | 16 | 127,492,270 |
| Interest rate swap liability | | 3,903,445 |
| | | <u>131,395,715</u> |
| | | <u>136,841,527</u> |

16 Loans and overdrafts

| | 2016 | 2015 |
|------------------------|--------------------|--------------------|
| | £ | £ |
| Bank loans | <u>127,492,270</u> | <u>131,803,391</u> |
| Payable after one year | <u>127,492,270</u> | <u>131,803,391</u> |

The bank loan is secured by fixed legal charges over the properties to which it relates, including properties owned by subsidiaries and a floating charge over the assets of the company.

ABBEEY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Provisions for liabilities

| | Note | 2016 £ | 2015 £ |
|--------------------------|-------------|-------------------|-------------------|
| Deferred tax liabilities | 18 | 9,656,083 | 9,606,341 |
| | | <u>9,656,083</u> | <u>9,606,341</u> |

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Liabilities 2016 £ | Liabilities 2015 £ |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Balances: | | |
| Revaluation of investment properties | <u>9,656,083</u> | <u>9,606,341</u> |
| Movements in the year: | | 2016 £ |
| Liability at 1 January 2016 | | 9,606,341 |
| Charge to profit or loss | | 49,742 |
| Liability at 31 December 2016 | | <u>9,656,083</u> |

19 Share capital

| | 2016 £ | 2015 £ |
|------------------------------|-------------------|-------------------|
| Issued and fully paid | | |
| 4 Ordinary shares of £1 each | <u>4</u> | <u>4</u> |

ABBEEY COMMERCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

20 Related party transactions

The company has taken advantage of the exemption available in FRS 102 section 33.1A 'Transactions with group members' whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Included within other debtors is an amount due to a related company of £116,591 (2015: other creditors £6,882), a company under common control.

Included within trade creditors is an amount due to a related company of £1,866,666 (2015: £457,582), a company under common control.

Included in the profit and loss account are management fees of £1,485,413 (2015: £1,393,488) payable to a related company under common control.

21 Control

As at 31 December 2016 and 31 December 2015, the immediate parent undertaking was Bana One L1 Ltd, a company incorporated in England and Wales.

As at 31 December 2016 and 31 December 2015 the ultimate parent company is Bana One Limited, a company registered in England and Wales.

Bana One Limited prepares group financial statements and copies can be obtained from - 235 Old Marylebone Road, London, NW1 5QT.

As at 31 December 2016 and 31 December 2015 B Ackerman was the ultimate controlling party of Bana One Limited.

22 Reserves

As at 31 December 2016 there was negative distributable reserves of £1,746,496 (2015: negative £3,633,906). The non-distributable component as at 31 December 2016 was positive £5,125,655 (2015: positive £1,850,642)