

A&H Developers Ltd

Registered number: 04900689

Annual financial statements

For the year ended 31 March 2018

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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018


	Note	2018 £	2017 £
Fixed assets			
Tangible assets.	5	219,285	297,285
Investment property	6	3,100,000	3,838,971
		<u>3,319,285</u>	<u>4,136,256</u>
Current assets			
Debtors	7	384,035	393,483
Cash at bank and in hand		1,871	1,466
		<u>385,906</u>	<u>394,949</u>
Creditors: amounts falling due within one year	8	(3,951,521)	(4,108,819)
Net current liabilities		<u>(3,565,615)</u>	<u>(3,713,870)</u>
Total assets less current liabilities		<u>(246,330)</u>	<u>422,386</u>
Net (liabilities)/assets		<u>(246,330)</u>	<u>422,386</u>
Capital and reserves			
Called up share capital	10	1,100,000	1,100,000
Profit and loss account	11	(1,346,330)	(677,614)
		<u>(246,330)</u>	<u>422,386</u>

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with 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

 2nd April 2019

Mustafa Tariq Mohammed
Director

The notes on pages 3 to 13 form part of these financial statements.

A&H DEVELOPERS LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	1,100,000	(785,644)	314,356
Comprehensive income for the year			
Profit for the year	-	108,030	108,030
Total comprehensive income for the year	-	108,030	108,030
At 1 April 2017	1,100,000	(677,614)	422,386
Comprehensive income for the year			
Loss for the year	-	(668,716)	(668,716)
Total comprehensive income for the year	-	(668,716)	(668,716)
At 31 March 2018	1,100,000	(1,346,330)	(246,330)

The notes on pages 3 to 13 form part of these financial statements.

A&H DEVELOPERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. General information

A&H Developers Limited ("the Company") is a private limited Company incorporated in England and Wales with registration number 04900689. The address of its registered office and principal place of business is Queen's Specialist Building, Queen Street, Farnworth, Bolton, BL4 7AH. The principle activity is the lease of real estate.

The company is a wholly owned subsidiary of Sharif Holdings Limited, a company incorporated in Dubai.

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

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

2.2 Going concern

The director acknowledges the net liability position at the year end and has considered a period of at least 12 months from the approval of these financial statements in making their going concern assessment. Discussions have been held with the Company's bankers, HSBC Bank plc which have confirmed that they will continue to provide financial support to the Company.

The use of the going concern basis of accounting is appropriate because there are not considered to be any material uncertainties relating to events or conditions that may cast doubt over the ability of the Company to continue as a going concern. The Company has the continued support of its bankers and related party companies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 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.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term Leasehold Property	- over the term of the lease
Fixtures, vehicles and equipment	- 25% on a reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.9 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Investment property

Investment property is carried at fair value determined annually by external valuers or the director 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.

2.11 Debtors

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

2.12 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.

2.13 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.

2.14 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

Critical judgements in applying the Company's accounting policies

The critical judgements that the director has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the director has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimating value in use

Where an indication of impairment exists, the director has carried out an impairment review to determine the recoverable amount of the asset, which is the higher of fair value less cost to sell and value in use. The value in use calculation has required the director to estimate the future cash flows expected to arise from the asset or the cash generating unit and determine a suitable discount rate in order to calculate present value.

(ii) Determining residual values and useful economic lives of tangible and intangible assets

The Company depreciates tangible assets, over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is also applied, when determining the residual values for fixed assets. When determining the residual value, the director has assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

4. Employees

The average monthly number of employees, including directors, during the year was 1 (2017 - 1).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Tangible fixed assets

	Short term leasehold property £	Fixtures, vehicles and equipment £	Total £
Cost or valuation			
At 1 April 2017	1,247,167	142,197	1,389,364
At 31 March 2018	1,247,167	142,197	1,389,364
Depreciation			
At 1 April 2017	958,320	133,759	1,092,079
Charge for the year on owned assets	75,890	2,110	78,000
At 31 March 2018	1,034,210	135,869	1,170,079
Net book value			
At 31 March 2018	212,957	6,328	219,285
At 31 March 2017	288,847	8,438	297,285

The carrying value of tangible fixed assets pledged as security for liabilities is £219,285 (2017: £297,285).

A&H DEVELOPERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. Investment property

	Freehold investment property £
Valuation	
At 1 April 2017	3,838,971
Surplus on revaluation	(738,971)
At 31 March 2018	<u><u>3,100,000</u></u>

The carrying value of investment property pledged as security for liabilities is £3,100,000 (2017: £3,838,971). An impairment charge of £738,971 (2017: £66,852) has been recognised in the year.

The November 2018 valuations were made by Christie & Co, a RICS qualified surveyor, on an open market value for existing use basis.

At 31 March 2018

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	3,112,395	3,112,395
Accumulated depreciation and impairments	(831,603)	(831,603)
	<u><u>2,280,792</u></u>	<u><u>2,280,792</u></u>

A&H DEVELOPERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Debtors

	2018 £	2017 £
Trade debtors	11,425	-
Other debtors	323,758	337,094
Prepayments and accrued income	41,256	48,793
Deferred taxation	7,596	7,596
	<u>384,035</u>	<u>393,483</u>

Included within other debtors due within one year is a loan to M Mohammed, a director, amounting to £Nil (2017 - £33,682).

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdraft	157	22,827
Bank loan	2,228,395	2,313,250
Trade creditors	132,173	99,048
Amounts owed to group undertakings	1,587,987	1,642,863
Other taxation and social security	1,225	1,224
Accruals and deferred income	1,584	29,607
	<u>3,951,521</u>	<u>4,108,819</u>

The bank loans are secured by a first priority legal charge over the company's short term leasehold property and investment property along with a debenture over the company's other assets. A composite multilateral guarantee dated 30 October 2015 has been given by Genix Healthcare Ltd, A & H Developers Ltd and Sparkle Dental Labs Limited, subsidiary companies of Sharif Holdings Limited, the parent company.

A fellow subsidiary of the company has breached its bank covenants as at 31 March 2018. Due to the existence of a multilateral guarantee with this fellow subsidiary, the bank loans are disclosed as repayable on demand as at 31 March 2018. The company has the full support of its bank, HSBC Bank PLC, and has agreed additional funding subsequent to the year end.

The loan is repayable by quarterly installments over a 7 year profile and attracts interest at 2.7% over LIBOR.

A&H DEVELOPERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Deferred taxation

	2018 £	2017 £
At beginning of year	7,596	6,662
Charged to profit or loss	-	934
At end of year	7,596	7,596

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	9,134	9,134
Adjustments with respect to prior period	543	543
Rate Change	(2,081)	(2,081)
	7,596	7,596

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,100,000 Ordinary shares of £1 each	1,100,000	1,100,000

Ordinary shares carry full voting, dividend and distribution rights.

11. Reserves**Profit & loss account**

This reserve represents cumulative profits and losses.

12. Contingent liabilities

A multilateral guarantee dated 30 October 2015 has been given by the Company, Genix Healthcare Limited and Sparkle Dental Labs Limited, subsidiary companies of Sharif Holdings Limited, in respect of the bank loan. The total contingent liability at 31 March 2018 £1,421,022 (2017: £2,410,682).

A&H DEVELOPERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13. Related party transactions

During the year, A & H Developers Limited was a wholly owned subsidiary of Sharif Holdings Limited, a company resident in Dubai. During the year, the company had a loan balance with Sharif Holdings Limited.

During the year, the Company received rent in the sum of £675,900 (2017: £666,980) from Genix Healthcare Limited, a fellow subsidiary of Sharif Holdings Limited. The company also paid management fees of £6,000 (2017: £6,000) to Genix Healthcare Limited for the provision of administrative services. The company also had a loan and debtor balance with Genix Healthcare Limited. The net amount owed at the year end is shown below.

During the year, A&H Developers Limited received rent in the sum of £12,000 (2017: £21,670) from Sparkle Dental Labs Limited. The company also had a loan balance with Sparkle Dental Labs Limited. The net amount owed at the year end is shown below.

During the year the company paid management fees of £nil (2017: £27,688) to ST Enterprises LLP, a partnership under common control, for the provision of administrative services. The net amount owed at the year end is shown below.

Amounts due from/(to) related parties at the year end are shown below.

	2018 £	2017 £
Sharif Holdings Limited	7,746	7,746
Genix Healthcare Limited	(1,587,987)	(1,642,863)
Sparkle Dental Labs Limited	272,745	289,722
ST Enterprises LLP	14,138	38,194
	<u> </u>	<u> </u>

14. Post balance sheet events

On 3 December 2018, the entire shareholding of the Company was transferred to Safia Mustafa Holdings Limited (previously Denlease Limited), a company registered in England and Wales.

15. Controlling party

The immediate and ultimate parent company is Safia Mustafa Holdings Limited (previously Denlease Limited), a company registered in England and Wales. In the opinion of the director the ultimate controlling party is Mr Mustafa Mohammed by virtue of his shareholding in Safia Mustafa Holdings Limited.

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2018 was unqualified.

The audit report was signed on 2 April 2019 by Ross Preston (Senior Statutory Auditor) on behalf of Mazars LLP.