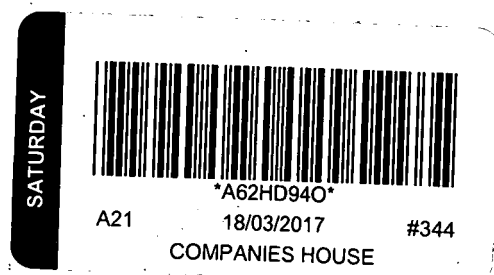


Company Registration No. 05374891

HOWARD CRESCENT LIMITED

Annual report and financial statements

For the year ended 30 September 2016



**Annual report and financial statements
For the year ended 30 September 2016**

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HOWARD CRESCENT LIMITED

Annual report and financial statements For the year ended 30 September 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Nicholas C J Bewes
A Huw Jones

REGISTERED OFFICE

93 Regent Street
Cambridge
Cambridgeshire
CB2 1AW

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge
United Kingdom

HOWARD CRESCENT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2016.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITY

The company is principally engaged in being a holding company.

DIRECTORS

The directors who served throughout the year and at the date of this report, unless otherwise stated, were:

Nicholas C J Bewes

Michael P Summers (resigned 23 December 2016)

A Huw Jones

DIRECTORS' RESPONSIBILITIES STATEMENT

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 UK 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

HOWARD CRESCENT LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

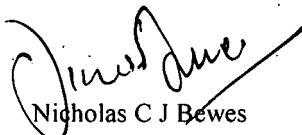
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


Nicholas C J Bewes
Director

Date: 16 March 2017.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD CRESCENT LIMITED

We have audited the financial statements of Howard Crescent Limited for the year ended 30 September 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes 1 to 14. 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, 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 30 September 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 matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWARD CRESCENT LIMITED (continued)

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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.

Matthew Hall

Matthew Hall FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

16th March 2017

HOWARD CRESCENT LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2016

	Note	2016 £	2015 £
TURNOVER	3	1,347,997	1,200,000
Administrative expenses		(1,732)	(11,337)
OPERATING PROFIT		1,346,265	1,188,663
Profit on sale of fixed asset investment		-	20,822,776
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,346,265	22,011,439
Tax on profit on ordinary activities	6	-	-
PROFIT FOR THE FINANCIAL YEAR		1,346,265	22,011,439

All activities derive from continuing operations.

There are no comprehensive income or expenses other than the profit for the financial year and the preceding financial year. Accordingly, no statement of comprehensive income is given.

HOWARD CRESCENT LIMITED

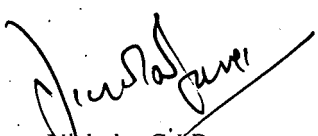
BALANCE SHEET

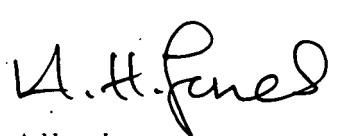
As at 30 September 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	7	13,040	13,040
CURRENT ASSETS			
Debtors	8	243,361	975,862
CREDITORS: amounts falling due within one year	9	(23,854)	(102,620)
NET CURRENT ASSETS		219,507	873,242
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		232,547	886,282
CAPITAL AND RESERVES			
Called up share capital	10	50,000	50,000
Profit and loss account	10	179,549	833,284
Reconstruction reserve	10	2,998	2,998
SHAREHOLDERS' FUNDS		232,547	886,282

The financial statements of Howard Crescent Limited, Company Registration No. 05374891, were approved by the Board of Directors and authorised for issue on 16 March 2017

Signed on behalf of the Board of Directors


Nicholas C J Bewes
Director


A Huw Jones
Director

HOWARD CRESCENT LIMITED

STATEMENT OF CHANGES IN EQUITY 30 September 2016

	Called up share capital £	Reconstruction reserve £	Profit and loss account £	Total £
At 1 October 2014	50,000	2,998	21,845	74,843
Profit for the financial year	-	-	22,011,439	22,011,439
Dividends paid (note 11)	-	-	(21,200,000)	(21,200,000)
At 30 September 2015	50,000	2,998	833,284	886,282
Profit for the financial year	-	-	1,346,265	1,346,265
Dividends paid (note 11)	-	-	(2,000,000)	(2,000,000)
At 30 September 2016	50,000	2,998	179,549	232,547

At 30 September 2016 the Company's distributable reserves were £179,549 (2015 - £833,284).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

General information and basis of accounting

Howard Crescent Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

There were no material adjustments in the prior year on adoption of FRS 102 in the current year.

The functional currency of Howard Crescent Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Howard Crescent Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2016 because it is a wholly owned subsidiary of another company. Group financial statements, which include the company, for Howard Investment Company Limited company are publicly available (see note 13).

Going concern

The directors have considered the financial position of the company, including the need for any impairment in relation to fixed asset investments, and believe that the company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents dividends received from subsidiary undertakings and is recognised in the financial statements when the dividend has been declared.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangements as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the net assets of the company.

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Short term trade 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.

Investments

Investments in subsidiaries are measured at cost less any provision for impairment.

Investments are valued at £13,040 (2015 - £13,040) using section 611 of the Companies Act 2006 relief following a group reconstruction.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2016

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to sale of the asset.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider the key source of estimation uncertainty to relate to the carrying value of the company's investments. In estimating the requirement for impairment of these investments, management make assumptions and judgements on the value of these investments using inherently subjective underlying asset valuations.

3. TURNOVER

	2016 £	2015 £
Dividends received from subsidiary undertakings	<u>1,347,997</u>	<u>1,200,000</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016 £	2015 £
Profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration		
Audit fees	(1,173)	(953)
Tax compliance services	(559)	(206)
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2016

5. DIRECTORS' REMUNERATION AND STAFF COSTS

No directors have received remuneration in respect of their services to the company (2015 - £nil).

The average number of employees, excluding directors, of the company during the year was none (2015 - none). The company does not have any employment contracts with directors.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016 £	2015 £
Current taxation		
UK corporation tax for the year	-	-
The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 20% (2015 - 20.5%). The differences are explained below.		
	2016 £	2015 £
Profit on ordinary activities before taxation	1,346,265	22,011,439
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.5%)	269,253	4,512,345
Factors affecting tax for the year:		
Non-taxable income	(269,599)	(4,514,670)
Group relief surrendered not paid for	346	2,324
Expenses not deductible for tax purposes	-	1
Total tax for the year	-	-

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

There is a potential deferred tax asset of £13,946 (2015 - £14,767) which is unprovided in relation to unrelieved trading losses. This is unprovided as, in the opinion of the directors, these losses will not be utilised in the foreseeable future.

HOWARD CRESCENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2016

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2015	18,008
Disposals	(4,968)
	<hr/>
At 30 September 2016	13,040
	<hr/>
Provision for impairment	
At 1 October 2015	4,968
Disposals	(4,968)
	<hr/>
At 30 September 2016	-
	<hr/>
Net book value	
At 30 September 2016	13,040
	<hr/>
At 30 September 2015	13,040
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in the subsidiary undertakings is not less than the amount included in the balance sheet.

Subsidiary undertakings

At 30 September 2016 the company owns directly the entire issued share capital of the companies listed below, all of which are incorporated in England and Wales.

	Net assets (liabilities) £	Profit (loss) £
Property investment		
C.A.E.C. Howard (Arkwright) Limited	102,099	240,101
Howard Bedford Limited	34,231	746
Howard Lewisham Limited	15,399,608	12,051,007
Howard Stansted Limited	477,007	447,253
Howard Haverhill Limited	300,412	202,598
Howard Regent Limited	1,018,989	(202,284)
Howard Sawston Limited	662,711	593,575
Howard Silbury Limited	53,891	(10,160)
Howard Stevenage Limited (in liquidation)	2,510	19,585
	<hr/>	<hr/>

The registered address of all subsidiary undertakings is 93 Regent Street, Cambridge, CB2 1AW with the exception of Howard Stevenage Limited whose registered address is First Floor, 24 High Street, Maynards, Whittlesford, Cambridge, CB22 4LT.

HOWARD CRESCENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2016

8. DEBTORS

	2016 £	2015 £
Amounts due from group companies	<u>243,361</u>	<u>975,862</u>

Intercompany balances are repayable on demand and no interest accrues on these balances. Amounts owed by group undertakings are not secured against any assets.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	-	79,500
Accruals and deferred income	<u>23,854</u>	<u>23,120</u>
	<u>23,854</u>	<u>102,620</u>

10. CALLED UP SHARE CAPITAL AND RESERVES

	2016 £	2015 £
Allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The reconstruction reserve was created on 14 March 2005 following the reconstruction of the group where Howard Grove Limited transferred investment in its subsidiary companies to Howard Crescent Limited.

11. DIVIDENDS

	2016 £	2015 £
Dividends declared on equity share capital	<u>2,000,000</u>	<u>21,200,000</u>

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in Section 33 of FRS 102 "Related Party Disclosures", from the requirement to disclose transactions with wholly owned entities within the Howard Investment Company Limited group on the grounds that it is a wholly owned subsidiary undertaking and consolidated financial statements are publicly available.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2016

13. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Howard Grove Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Howard Investment Company Limited, a company registered in England and Wales.

Howard Investment Company Limited is the head of the largest and smallest group of companies for which consolidated financial statements incorporating the results of the company are publicly available. Copies of these financial statements may be requested from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

14. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 30 September 2015 and the date of transition to FRS 102 was therefore 1 October 2014. As a consequence of adopting FRS 102, there are no material adjustments to accounting policies to comply with that standard.