

**4 HARDMAN SQUARE RETAIL LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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4 Hardman Square Retail Limited ·
Directors' Report and Financial Statements
For The Year Ended 31 December 2015

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4 Hardman Square Retail Limited
Company Information
For The Year Ended 31 December 2015

Directors

Mr F P Graham-Watson
Mr M J Ingall
Mr S P Lyell
Mr A J Campbell
Mr J Raine

Secretary

Mr A J Campbell

Company Number

5875491

Registered Office

2nd Floor
HQ Building
2 Atherton Street
Manchester
M3 3GS

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

4 Hardman Square Retail Limited
Company No. 5875491
Directors' Report For The Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the 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;
- 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.

Statement of Disclosure of Information to Auditors

The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Principal Activity

The company's principal activity continues to be that of property investment.

Review of Business

The income statement shows a profit for the year of £73,913 (2014: £1,015,850). The company received rental income from its investment property during the year. The directors expect the company's business to continue in the following year.

Directors

The directors who held office during the year were as follows:

Mr F P Graham-Watson

Mr M J Ingall

Mr S P Lyell

Mr A J Campbell

Mr J Raine

APPOINTED


09/07/2015

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006.

By order of the board



Mr A J Campbell
Director

Date: 30 September 2016

4 Hardman Square Retail Limited
Auditor's Report
For The Year Ended 31 December 2015

Independent Auditor's Report to the Members of 4 Hardman Square Retail Limited

We have audited the financial statements of 4 Hardman Square Retail Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes. 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).

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 Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice applicable to smaller entities; 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 and the directors' report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit, we have identified no material misstatements in the directors' report.

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;
- the financial statements are not in agreement with the accounting records or returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the strategic report.



Alexander Tapp (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory
Auditor

Date: 30 September 2016

BDO LLP
55 Baker Street
London
W1U 7EU

BDO LLP is a limited liability partnership registered in England and Wales (with registration number OC305127)

4 Hardman Square Retail Limited
Statement of Comprehensive Income
For The Year Ended 31 December 2015

	Notes	2015 £	2014 Restated £
TURNOVER		79,706	134,842
Cost of sales		(4,264)	16,615
GROSS PROFIT		75,442	151,457
Administrative expenses		(1,529)	113,216
OPERATING PROFIT	2	73,913	264,673
Profit on disposal of fixed assets		-	427,060
Interest payable and similar charges	4	-	(123,373)
PROFIT FOR THE FINANCIAL YEAR		73,913	568,360
Taxation	5	-	447,490
PROFIT FOR THE FINANCIAL YEAR AFTER TAX		73,913	1,015,850
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		73,913	1,015,850

All amounts relate to continuing activities.

The notes on pages 7 to 10 form part of these financial statements

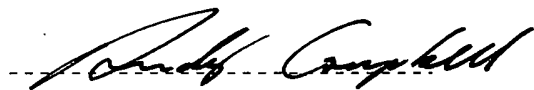
4 Hardman Square Retail Limited
Statement of Financial Position
For The Year Ended 31 December 2015

Company No. 5875491

		2015		2014 Restated	
	Notes	£	£	£	£
CURRENT ASSETS					
Debtors	6	14,544		3,355,707	
		<u>14,544</u>		<u>3,355,707</u>	
Creditors: Amounts Falling Due Within One Year	7	(14,100)		(208,495)	
NET CURRENT ASSETS (LIABILITIES)			<u>444</u>		<u>3,147,212</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>444</u>		<u>3,147,212</u>
NET ASSETS			<u>444</u>		<u>3,147,212</u>
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Profit and loss account			<u>443</u>		<u>3,147,211</u>
SHAREHOLDERS' FUNDS			<u>444</u>		<u>3,147,212</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 30 September 2016.



Mr A J Campbell
Director

4 Hardman Square Retail Limited
Statement of Changes in Equity
For The Year Ended 31 December 2015

	Share Capital	Profit & Loss Account Restated	Total
	£	£	£
As at 1 January 2014	1	2,131,361	2,131,362
Profit for the year and total comprehensive income	-	1,015,850	1,015,850
As at 31 December 2014 and 1 January 2015	1	3,147,211	3,147,212
Profit for the year and total comprehensive income	-	73,913	73,913
Dividends paid	-	(3,220,681)	(3,220,681)
As at 31 December 2015	1	443	444

The notes on pages 7 to 10 form part of these financial statements

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with the provisions of Financial Reporting Standard 102 section 1A small entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

FRS 102 section 1A small entities is mandatory for accounting periods beginning on or after 1 January 2016, but may be applied early to periods ending on or after 31 December 2014. The company has taken the option to apply the standard early in the preparation of these financial statements. Information on the impact of first-time adoption of FRS 102 section 1A small entities is given in note 14.

The functional currency is pounds sterling.

1.2. Statement of Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard 102 "Cash flow statements" Section 1.12B not to produce a cash flow statement on the grounds that it is a small company.

1.3. Turnover

Turnover is stated net of VAT and comprises rental income, commissions and fees receivable. This is attributable to the company's principle activity wholly undertaken within the United Kingdom.

1.4. Deferred Taxation

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.5. Financial Instruments

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate 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.

1.6 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors consider that there are no significant judgements in applying the accounting policies. Nor are there any key sources of uncertainty.

4 Hardman Square Retail Limited
Notes to the Accounts (continued)
For The Year Ended 31 December 2015

2. Operating Profit

Audit fees were borne by the ultimate parent company.

The company had no employees during the year other than the directors, who received no remuneration.

3. Average number of employees

Average number of employees, including directors, during the year was as follows:

	2015	2014
Office and administration	5	4
	<u>5</u>	<u>4</u>

4. Interest Payable

	2015	2014
	£	£
Other finance charges	-	123,373
	<u>-</u>	<u>123,373</u>

5. Tax on Profit on Ordinary Activities

	Tax Rate		2015	2014
	2015	2014	£	£
UK Corporation Tax	20%	21.5%	-	-
UK Deferred Tax	20%	20%	-	(447,490)
			<u>-</u>	<u>(447,490)</u>

	2015	2014
	£	£
Profit on ordinary activities before tax	73,913	568,360
	<u>73,913</u>	<u>568,360</u>

Breakdown of Tax Charge is:

Tax on profit at 20% (UK standard rate) (2014: 21.5%)	14,783	122,197
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Effects of:

Group relief	(14,783)	(122,197)
Movement in deferred tax liability	-	(447,490)
Total tax charge for the period	-	(447,490)
	<u>-</u>	<u>(447,490)</u>

The deferred tax liability related to the deferred tax on revaluation gains on an investment property that was sold during 2014.

6. Debtors

	2015 £	2014 £
Due within one year		
Trade debtors	-	5,048
Other debtors	-	10,031
Amounts owed by group undertakings	14,544	3,340,628
	<u>14,544</u>	<u>3,355,707</u>

The amounts due from group undertakings are repayable on demand and not interest bearing.

7. Creditors: Amounts Falling Due Within One Year

	2015 £	2014 £
Trade creditors	14,100	-
Amounts owed to group undertakings	-	208,495
	<u>14,100</u>	<u>208,495</u>

The amounts due to group undertakings are repayable on demand and not interest bearing.

8. Share Capital

	Value £	Number	2015 £	2014 £
Allotted, called up and fully paid				
Ordinary shares	1,000	1	1	1

9. Contingent Liabilities

	2015 £	2014 £
The company's assets have been given as security for bank and other loans drawn by the group.	10,034,757	10,108,614

10. Dividends

	2015 £	2014 £
On equity shares:		
Interim dividend paid (£3,220,681 per share)	3,220,681	-

11. Related Party Transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102, "Related party disclosures" Section 33.1A not to disclose details of related party transactions with entities that are included in the consolidated financial statements of Allied London Properties Limited and are 100% owned.

4 Hardman Square Retail Limited
Notes to the Accounts (continued)
For The Year Ended 31 December 2015

12. Ultimate Controlling Party

The company's immediate parent is Allied London Holdco Four Limited. The ultimate parent company is Capital Holdco Limited, a company incorporated in the British Virgin Islands.

13. Financial Instruments

The Company considers that the fair value of cash and cash equivalents, loans, trade and other receivables, and trade and other payables are not materially different to their carrying value.

The Company's financial instruments may be analysed as follows:

	2015 £	2014 £
Financial assets		
Financial assets measured at amortised cost	14,544	3,355,707
Financial liabilities		
Financial liabilities measured at amortised cost	14,100	208,495

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts due from related parties.

Financial liabilities measured at amortised cost comprise trade creditors and amounts due to related parties.

14. Transition to FRS 102

The financial statements for the year ended 31 December 2015 are the company's first annual financial statements that comply with FRS 102. The date of transition to FRS 102 is 01 January 2014.

FRS 102 requires that changes in the fair value of investments properties be recognised in profit or loss for the period. Under previous UK GAAP these changes were recognised outside of profit or loss and presented separately in a revaluation reserve. This change has increased reported profit for the year ended 31 December 2013 but has not affected the measurement of investment property on the Statement of Financial Position.

	Note	Equity at 01 January 2014	Profit for the year-ended 31 December 2014	Equity as at 31 December 2014
		£	£	£
As previously stated under former UK GAAP		2,578,852	568,360	3,147,212
Deferred tax recognised on revaluations of investment property	b	(447,490)	447,490	-
As stated in accordance with FRS 102		2,131,362	1,015,850	3,147,212

- a. FRS 102 requires that deferred tax be recognised on revaluations of investment property. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued asset and the gains or losses expected to arise on sale had been recognised. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to increase the deferred tax charge for the year ended 31 December 2013. The property was disposed of in the year-ended 31 December 2014 and so the deferred tax charge was reversed on crystallisation.

15. General Information

4 Hardman Square Retail Limited, registered number 5875491, is a limited by shares company incorporated in England & Wales. The Registered Office is 2nd Floor, HQ Building, 2 Atherton Street, Manchester, M3 3GS.