

**Company Registration No. 05891745 (England and Wales)**

**ESAG COMMERCIAL PROPERTIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2013**



**Saffery Champness**  
CHARTERED ACCOUNTANTS

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## ESAG COMMERCIAL PROPERTIES LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	Raja Essa Al Gurg	(Appointed 7 October 2013)
	Maryam Essa Al Gurg	(Appointed 7 October 2013)
	Muna Essa Al Gurg	(Appointed 7 October 2013)

<b>Company number</b>	05891745
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<b>Registered office</b>	Great Holland Hall Farm Frinton on Sea Essex CO13 0JS
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<b>Independent Auditors</b>	Saffery Champness Lion House Red Lion Street London WC1R 4GB
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<b>Bankers</b>	Lloyds TSB Bank plc City Office 11-15 Monument Street London EC3V 9JA
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<b>Solicitors</b>	Taylor Wessing 5 New Street Square London EC4A 3TW
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# **ESAG COMMERCIAL PROPERTIES LIMITED**

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## **ESAG COMMERCIAL PROPERTIES LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013**

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The directors present their report and financial statements for the period ended 31 December 2013

#### **Principal activities**

The principal activity of the Company is the holding of investment property

#### **Directors**

The following directors have held office since 1 July 2013

Raja Essa Al Gurg	(Appointed 7 October 2013)
Maryam Essa Al Gurg	(Appointed 7 October 2013)
Muna Essa Al Gurg	(Appointed 7 October 2013)
Andrew Cohen	(Resigned 7 October 2013)
Claude Littner	(Resigned 7 October 2013)
Daniel Sugar	(Resigned 7 October 2013)
James Hughes	(Resigned 7 October 2013)
Michael Ray	(Resigned 7 October 2013)
Roger Adams	(Resigned 7 October 2013)
Simon Sugar	(Resigned 7 October 2013)

#### **Auditors**

Saffery Champness were appointed auditors 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 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 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

**ESAG COMMERCIAL PROPERTIES LIMITED**

**DIRECTORS' REPORT (continued)  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

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**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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.

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

On behalf of the board



Raja Essa Al Gurg

Director  
23 May 2014

## **ESAG COMMERCIAL PROPERTIES LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF ESAG COMMERCIAL PROPERTIES LIMITED**

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We have audited the financial statements of ESAG Commercial Properties Limited for the period ended 31 December 2013 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' 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 pages 1 - 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'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 2013 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting 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 period for which the financial statements are prepared is consistent with the financial statements.

**ESAG COMMERCIAL PROPERTIES LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)**

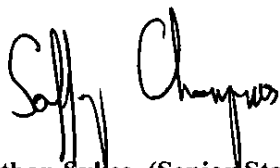
**TO THE MEMBERS OF ESAG COMMERCIAL PROPERTIES LIMITED**

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**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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report



Jonathan Sykes (Senior Statutory Auditor)  
for and on behalf of Saffery Champness

23 Mar 2014

Chartered Accountants  
Statutory Auditors

Lion House  
Red Lion Street  
London  
WC1R 4GB

**ESAG COMMERCIAL PROPERTIES LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

		<b>Period ended 31 December 2013 £</b>	<b>Year ended 30 June 2013 £</b>
	<b>Notes</b>		
<b>Turnover</b>		2,951,215	5,902,430
Administrative expenses		<u>(140,830)</u>	<u>(254,983)</u>
<b>Operating profit</b>	<b>2</b>	2,810,385	5,647,447
Other interest receivable and similar income	<b>3</b>	967	195
Interest payable and similar charges	<b>4</b>	<u>(486,474)</u>	<u>(487,518)</u>
<b>Profit on ordinary activities before taxation</b>		2,324,878	5,160,124
Tax on profit on ordinary activities	<b>5</b>	<u>(534,722)</u>	<u>(1,222,209)</u>
<b>Profit for the period</b>	<b>10</b>	<u><u>1,790,156</u></u>	<u><u>3,937,915</u></u>

The notes on pages 8 to 11 form part of these financial statements



**ESAG COMMERCIAL PROPERTIES LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

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	<b>Period ended 31 December 2013 £</b>	<b>Year ended 30 June 2013 £</b>
<b>Profit for the financial period</b>	1,790,156	3,937,915
Unrealised (deficit)/surplus on revaluation of properties	-	6,250,000
<b>Total recognised gains and losses relating to the period</b>	1,790,156	10,187,915

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# ESAG COMMERCIAL PROPERTIES LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	As at 31 December 2013 £	As at 30 June 2013 £
<b>Fixed assets</b>			
Investment property	6	120,000,000	120,000,000
<b>Current assets</b>			
Cash at bank and in hand		2,326,730	299,760
<b>Creditors: amounts falling due within one year</b>	7	(17,241,514)	(2,593,819)
<b>Net current liabilities</b>		(14,914,784)	(2,294,059)
<b>Total assets less current liabilities</b>		105,085,216	117,705,941
<b>Creditors: amounts falling due after more than one year</b>	8	(104,403,168)	(118,814,049)
		<u>682,048</u>	<u>(1,108,108)</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Revaluation reserve	10	1,502,768	1,502,768
Profit and loss account	10	(820,721)	(2,610,877)
<b>Shareholders' funds</b>		<u>682,048</u>	<u>(1,108,108)</u>

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

The notes on pages 8 to 11 form part of these financial statements

Approved by the Board and authorised for issue on 23 MAY 2014



Raja Essa Al Gurg  
Director

Company Registration No. 05891745

## **ESAG COMMERCIAL PROPERTIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

##### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

##### **1.3 Turnover**

Turnover represents amounts derived from the provision of services and rental income on investment properties which fall within the Company's ordinary activities after deduction of trade discounts and value added tax

##### **1.4 Investment properties**

In accordance with SSAP 19, investment properties are revalued annually to open market value and the aggregate surplus or deficit is transferred to or from the revaluation reserve. Any diminution in value which is believed to be permanent is written off to the profit and loss account in the year in which it arises. No depreciation is to be provided in respect of investment properties. The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principles set out in SSAP 19.

These properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and therefore it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

##### **1.5 Deferred taxation**

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognized in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

**ESAG COMMERCIAL PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

<b>2</b>	<b>Operating profit</b>	<b>2013</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Auditors' remuneration	<u>3,000</u>	<u>2,033</u>
<b>3</b>	<b>Other interest receivable and similar income</b>	<b>2013</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Bank interest	<u>967</u>	<u>195</u>
		<u>967</u>	<u>195</u>
<b>4</b>	<b>Interest payable and similar charges</b>	<b>2013</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	On amounts payable to group companies	130,688	487,515
	Bank interest paid	<u>355,786</u>	<u>3</u>
		<u>486,474</u>	<u>487,518</u>
<b>5</b>	<b>Tax on profit on ordinary activities</b>	<b>2013</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	<u>534,722</u>	<u>1,222,209</u>
	<b>Total current tax</b>	<u>534,722</u>	<u>1,222,209</u>
<b>6</b>	<b>Investment Property</b>		<b>Freehold</b>
			<b>£</b>
	<b>Cost or valuation</b>		
	At 1 July 2013 & at 31 December 2013		<u>120,000,000</u>
	<b>Net book value</b>		
	At 31 December 2013		<u>120,000,000</u>
	At 30 June 2013		<u>120,000,000</u>

**ESAG COMMERCIAL PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

<b>7 Creditors: amounts falling due within one year</b>	<b>2013 £</b>	<b>2013 £</b>
Bank loans and overdrafts	14,400,000	-
Trade creditors	8,482	-
Taxation and social security	1,106,136	1,229,309
Other creditors	1,726,896	1,364,510
	<u>17,241,514</u>	<u>2,593,819</u>
<b>8 Creditors: amounts falling due after more than one year</b>	<b>2013 £</b>	<b>2013 £</b>
Bank loans	57,600,000	-
Amounts owed to group undertakings	46,803,168	118,814,049
	<u>104,403,168</u>	<u>118,814,049</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	118,803,168	118,814,049
Included in current liabilities	(14,400,000)	-
	<u>104,403,168</u>	<u>118,814,049</u>
<b>9 Share capital</b>	<b>2013 £</b>	<b>2013 £</b>
<b>Authorised</b>		
1,000,000 Ordinary share of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

**ESAG COMMERCIAL PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

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**10 Statement of movements on reserves**

	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 July 2013	1,502,768	(2,610,877)
Profit for the period	-	1,790,156
	<hr/>	<hr/>
Balance at 31 December 2013	<u>1,502,768</u>	<u>(820,721)</u>

**11 Control**

The ultimate parent company is Easa Saleh Al Gurg LLC, a company incorporated and registered in Dubai, United Arab Emirates

**12 Related party relationships and transactions**

During the period the company received a loan of £119,999,999 from its 100% parent, Wolfe Commercial Properties Southbank Limited. At the 31 December 2013 £46,803,168 of this loan remained outstanding.