

Registered number: 05950164

AZAR ESTATES LIMITED
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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AZAR ESTATES LIMITED
REGISTERED NUMBER: 05950164

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Current assets			
Stocks	4	3,215,097	3,021,862
Debtors: amounts falling due within one year	5	1,127,627	790,924
Cash at bank and in hand	6	1,698,356	109,208
		<u>6,041,080</u>	<u>3,921,994</u>
Creditors: amounts falling due within one year	7	(34,328)	(122,479)
Net current assets		<u>6,006,752</u>	<u>3,799,515</u>
Total assets less current liabilities		<u>6,006,752</u>	<u>3,799,515</u>
Creditors: amounts falling due after more than one year	8	(5,829,289)	(3,291,824)
Net assets		<u><u>177,463</u></u>	<u><u>507,691</u></u>
Capital and reserves			
Called up share capital		2,000	2,000
Profit and loss account		175,463	505,691
		<u><u>177,463</u></u>	<u><u>507,691</u></u>

AZAR ESTATES LIMITED
REGISTERED NUMBER: 05950164

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.


The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 28 September 2017.



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Mr M Z Khoy
Director

The notes on pages 3 to 9 form part of these financial statements.

AZAR ESTATES LIMITED

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

1. General information

Azar Estates Limited (company number 05950164) is a private company limited by shares, registered in England and Wales. Its registered office is at 1a Woodlands Road, ALTRINCHAM, Cheshire WA14 1HG.

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 members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)**2.3 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.4 Debtors

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.

2.5 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.

2.6 Financial instruments

The Company only enters into basic financial instruments 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, loans to related parties and investments in non-puttable ordinary shares.

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 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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.7 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.

AZAR ESTATES LIMITED

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

2. Accounting policies (continued)**2.8 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.9 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.

2.10 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.12 Taxation

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 balance sheet date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2015 - 7).

4. Stocks

	2016 £	2015 £
Work in progress	3,215,097	3,021,862
	<u>3,215,097</u>	<u>3,021,862</u>

AZAR ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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5. Debtors

	2016 £	2015 £
Amounts owed by joint ventures and associated undertakings	1,121,755	787,104
Other debtors	5,872	3,820
	<u>1,127,627</u>	<u>790,924</u>

6. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	1,698,356	109,208
	<u>1,698,356</u>	<u>109,208</u>

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,778	(1,026)
Corporation tax	2,442	10,358
Other taxation and social security	915	-
Other creditors	27,773	111,223
Accruals and deferred income	1,420	1,924
	<u>34,328</u>	<u>122,479</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	2,158,965	-
Other creditors	3,670,324	3,291,824
	<u>5,829,289</u>	<u>3,291,824</u>

Secured loans

The bank loans are secured against the assets of the company.

9. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due 1-2 years		
Bank loans	2,158,965	-
	<u>2,158,965</u>	<u>-</u>
	<u>2,158,965</u>	<u>-</u>

10. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,698,356	109,208
	<u>1,698,356</u>	<u>109,208</u>

AZAR ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Related party transactions

Mr M Z Khoy, a director, has made loans to the company. He does not intend to withdraw his loan account funds until the company has sufficient funds to repay without adversely affecting the cash flow of the company. As at the balance sheet date, the company owed £3,570,324 (2015: £3,196,547) to the director. No interest is payable on amounts owed to the director. £2,500,000 of the director's loan has been transferred to a long-term loan, the remaining amounts are repayable on demand.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.