Company Registration No. 06317722 (England and Wales)

BARWA CAPITAL (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

BARWA CAPITAL (UK) LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

BARWA CAPITAL (UK) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTORS	G B S Al-Saad A A Al Subaie A H Khan M A S Al Saad
REGISTERED OFFICE	Devonshire House 1 Devonshire Street London W1W 5DR
BUSINESS ADDRESS	4 Cavendish Square London W1G 0PG
REGISTERED NUMBER	06317722 (England and Wales)
AUDITOR	Baker Tilly UK Audit LLP Registered Auditor 25 Farringdon Street London EC4A 4AB
SHARIA'A ADVISORY BOARD	Dr Esam Khalaf Al-Enezi Sheikh Essam M Ishaq Dr Osama Qais S Al Dereai

BARWA CAPITAL (UK) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The company was principally engaged in the provision of advisory services during the year The company was also in receipt of rental income following the sub-letting of business premises

The company is authorised and regulated by the Financial Conduct Authority

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity continues to be the providing of advisory services to its parent, Cavendish Capital (Jersey) Limited, and another associated undertakings on various projects from time to time Total fees receivable for the period were £0 51 million (2011: £2 68 million) The directors are currently considering the future development of the company and exploring new business opportunities

The company complies with the principles of Sharia'a Financial transactions are approved by the Sharia'a Board of the company Interest earned incidentally from a transaction is earmarked for application towards charitable or educational causes as agreed with the Sharia'a Board and the Board of Directors

The company's principal risk and uncertainty is liquidity risk At the end of the reporting period the company remained highly liquid, free of any external bank borrowings and held cash and cash equivalents of £2 468 million (2011 £2 062 million)

RESULTS AND DIVIDENDS

The results for the year are set out on page 5 At the year end the state of affairs of the company was considered satisfactory, not withstanding the losses incurred.

The directors do not recommend the payment of a dividend for the year

FINANCIAL RISK AND CAPITAL MANAGEMENT

The company's risk and capital management policy is set out in note 16 to the financial statements

DIRECTORS

The following directors held office during the year

G B S Al-Saad
A A Al Subaie
A H Khan
M A S Al Saad

BARWA CAPITAL (UK) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012 – (CONTINUED)

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 of the company in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU")

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the company The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation

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 judgements and accounting estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRS as adopted by the EU,
- 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 The directors 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 AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and the directors 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 auditor are aware of that information

AUDITOR

The auditor, Baker Tilly UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006

ON BEHALF OF THE BOARD

A H Khan Director	A A Al Subaie Director
30/04/2013	30/04/2013

BARWA CAPITAL (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BARWA CAPITAL (UK) LIMITED

We have audited the financial statements on pages 5 to 27 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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 more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (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 APB's website at www frc org uk/apb/scope/private cfm.

Opinion on the 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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the provisions 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

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where 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

Baker Tilly UK Audit LLP

Richard Coates (Senior Statutory Auditor)
For and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

8 May 2013

BARWA CAPITAL (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Year ended 31 December 2012		Year ended 31 December 2011	
		£	£	£	£
Continuing operations					
Revenue	5		710,750		2,675,699
Investment revenue	6	8,967		10,005	
Share of (losses)/profits of associate	10	(140,332)		135,750	
Administration expenses		(891,753)		(2,703,253)	
Staff costs – termination payments	4	-		(723,929)	
Depreciation expense		(55,272)		(113,494)	
Finance costs		-		(996)	
			(1,078,390)		(3,395,917)
Loss before tax			**(367,640)**		(720,218)
Income tax credit	8		-		50,000
Loss for the year and total comprehensive income attributable to the owners of the company			**(367,640)**		(670,218)

The notes form part of these financial statements

BARWA CAPITAL (UK) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	2012 £	2012 £	2011 £	2011 £
ASSETS					
Non-current assets					
Property, plant and equipment	9		262,018		312,370
Investment in associate	10		2,338,448		2,478,780
			2,600,466		2,791,150
Current assets					
Trade and other receivables	11	4,637,392		5,052,723	
Current tax assets	8	-		176,348	
Cash and cash equivalents	12	2,468,014		2,061,950	
			7,105,406		7,291,021
Total assets			9,705,872		10,082,171
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	13		84,566		93,225
Total liabilities			84,566		93,225
Equity					
Issued capital	14	10,000,000		10,000,000	
Retained earnings	15	(378,694)		(11,054)	
Total equity			9,621,306		9,988,946
Total equity and liabilities			9,705,872		10,082,171

The financial statements were approved by the Board of Directors and authorised for issue on 30/04/2013 and were signed on its behalf by

A H Khan
Director

A A Al Subaie
Director

Company registration No 06317722

The notes form part of these financial statements

BARWA CAPITAL (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Share capital £	Retained earnings £	Total equity £
Balance at 31 December 2010	10,000,000	659,164	10,659,164
Loss for the year and total comprehensive income	-	(670,218)	(670,218)
Balance at 31 December 2011	10,000,000	(11,054)	9,988,946
Loss for the year and total comprehensive income	-	(367,640)	(367,640)
Balance at 31 December 2012	10,000,000	(378,694)	9,621,306

BARWA CAPITAL (UK) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(367,640)	(670,218)
Depreciation of non-current assets	55,272	113,494
Income tax (credit) recognised in profit or loss	-	(50,000)
Finance income	(8,967)	(10,005)
Share of losses/(profits) of associate	140,332	(135,750)
Loss/(gain) on sale of non-current assets	5,405	(5,347)
	(175,598)	(757,826)
MOVEMENTS IN WORKING CAPITAL		
Decrease/(Increase) in trade and other receivables	415,331	(1,258,700)
Decrease in trade and other payables	(8,659)	(513,667)
Cash generated/(used) by operations	231,074	(2,530,193)
Income taxes received/(paid)	176,348	(151,348)
NET CASH GENERATED/(USED) BY OPERATING ACTIVITIES	**407,422**	**(2,681,541)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of non-current assets	47,499	6,021
Interest received	8,967	10,005
Payments for property, plant and equipment	(57,824)	(552)
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	**(1,358)**	**15,474**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**406,064**	**(2,666,067)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,061,950	4,728,017
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**2,468,014**	**2,061,950**

1 GENERAL INFORMATION

Barwa Capital (UK) Limited is a company incorporated in England and Wales under the Companies Act 2006 The address of the registered office is given on page 1

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

a) Standards and interpretations adopted by the company with no material effect on financial statements

The company has adopted the following new and amended IFRSs during the current period, but has not had any significant impact on the amounts reported in these financial statements but may affect the accounting of future transactions or arrangements

Amendments to IAS 1	Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)
Amendments to IAS 12	Deferred Tax – Recovery of Underlying Assets, effective 1 January 2012
IAS 24 (revised 2009)	Related Party Disclosures
Amendments to IAS 32	Classification of Rights Issues
Amendments to IFRIC 14	Prepayments of a Minimum Funding Requirement
Amendments to IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

b) Standards, amendments and interpretations to existing standards in issue but not yet effective and have not been adopted early by the company

At the date of authorisation of this report the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective

IFRS 11	Joint Arrangements, effective 1 January 2014
IFRS 12	Disclosure of Interests in Other Entities, effective 1 January 2014
IFRS 13	Fair Value measurement, effective 1 January 2014
Amendments to IAS 1	Presentation of items of Other Comprehensive Income, effective 1 July 2012
IAS 19 (as revised in 2011)	Employee Benefits, effective 1 January 2014
IAS 27 (as revised in 2011)	Separate Financial Statements, effective 1 January 2014
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures, effective 1 January 2014

Other than disclosure, the directors do not anticipate any significant impact as a result of these new standards

3 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation – accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU ("IFRS"), IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS

The financial statements have been prepared on the historical cost basis The principal accounting policies adopted are set out below

Notwithstanding the losses incurred for the year of £367,640, the company has a sound asset base with £2 5m of liquid funds and minimal liabilities

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

a) Basis of preparation – accounting convention – (continued)

Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and thus continues to adopt the going concern basis of accounting in preparing the financial statements.

b) Investment in associates
An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies

The results and assets and liabilities of associates are incorporated into these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* Under the equity method, an investment in an associate is initially recognised in the Statement of Financial Position at cost and adjusted thereafter to recognise the company's share of profit or loss in the comprehensive income of the associate

When the company's share of losses of an associate exceeds the company's interest in that associate, the company discontinues recognising its share of further losses

Unrealised profits and losses resulting from transactions between the company and its associates are eliminated to the extent of the company's interest in that associate

c) Financial assets

(i) **Loans and receivables**
Loans and receivables are measured at amortised cost, using the effective interest method, less any impairment Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period

(ii) **Impairment of financial assets**
Financial assets are assessed for indicators of impairment at each end of the reporting period Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated cash flows, discounted at the financial asset's original effective interest rate

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets Changes in the carrying amount of the asset are recognised in profit or loss

d) Financial liabilities
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs

3 SIGNIFICANT ACCOUNTING POLICIES – (continued)

d) Financial liabilities – (continued)

The company's financial liabilities are subsequently measured at amortised cost using the effective interest method The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or expire

e) Revenue recognition
Revenue is measured at fair value of the consideration received or receivable

(i) **Rendering of services**
Income is attributable to services rendered in respect of advisory services Revenue is recognised when it is judged that the stage of completion of a contract to provide professional services can be measured reliably and it is probable the revenue will be received It is measured by reference to the stage of completion of the contract at the estimated fair value of the right to consideration, which represents amounts chargeable to clients, but excluding value added tax

(ii) **Interest revenue**
Interest revenue is recognised when it is probable that the economic benefits will flow to the company and the amounts of revenue can be measured reliably Interest revenue is accrued on a time basis

(iii) **Rental Income**
Rental income from operating leases is recognised on a straight line basis over the term of the lease

f) Property, plant and equipment
Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment

The estimated useful lives of the depreciable assets are as follows

Leasehold improvements	10 years
Fixtures and fittings	3 - 7 years
Motor vehicles	5 years
Computer and office equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the period the asset is derecognised

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

g) Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period Taxable profit differs from profit as reported in the statement of comprehensive income as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at the end of the reporting period where an event has occurred that results in an obligation to pay more or less tax in the future except that

(i) provision is made for gains on disposals of assets that have been rolled over into replacement assets only to the extent that at the end of the reporting period, there is a binding agreement to dispose of the assets concerned, and

(ii) deferred tax assets are recognised to the extent that it is more likely than not that there will be suitable taxable profits from, which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods including the timing differences reversal, based on tax rates and laws enacted or substantively enacted at the end of the reporting period

h) Leasing

The company as lessee
Leases are classified as financial leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee All other leases are classified as operating leases

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

The company as lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

i) Foreign currency transactions
Transactions in foreign currencies are translated to sterling at exchange rates at the dates of the transactions Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income in the period in which they arise

j) Retirement benefit costs
Contributions to defined contribution benefit plans are recognised in the statement of comprehensive income in the period in which they become payable

4 STAFF COSTS

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Wages and salaries	51,399	612,305
Social security costs	5,830	211,232
Benefits in kind	-	53,583
Termination payments	7,270	732,929
Pension costs	-	(8,507)
	64,499	1,601,542

The total pension costs recognised in the statement of comprehensive income represents contributions payable by the company in respect of payments to defined contribution plans made on behalf of the directors into their personal pension schemes As at 31 December 2012, all contributions due for the year had been paid (2011: no contributions outstanding)

The average monthly number of company employees, including directors, during the period was

	2012 No	2011 No
Management and administration	6	6

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Directors' emoluments		
Emoluments	-	227,000
Benefits in kind	-	53,583
Termination payments	-	627,700
Pension costs	-	(8,507)
	-	899,776

The company's key management personnel are considered to be the company's directors There were no directors' emoluments in the year The highest paid director during the year ended 31 December 2011 received total compensation of £899,776 as analysed above

5. REVENUE

The company's revenue can be analysed as follows

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Property rental income	195,984	-
Advisory services	514,766	2,675,699
	710,750	2,675,699

The company's revenue can be analysed geographically as follows

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
United Kingdom	195,984	-
Channel Islands	514,766	2,259,032
Rest of the World	-	416,667
	710,750	2,675,699

6. FINANCE INCOME

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Interest revenue		
Bank deposits	7,915	9,581
Other interest	1,052	424
	8,967	10,005

In accordance with Sharia'a principles the board has determined that all incidental interest earned by the company will be applied towards charitable purposes

7. LOSS BEFORE TAX

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
The loss before tax is stated after charging		
Depreciation of property, plant and equipment on owned assets	55,272	113,494
Fees payable to the company's auditor for the audit of the company's annual accounts	24,000	25,200
Fees payable to the company's auditor for other services	-	3,000
Staff costs (see note 4)	64,499	1,601,542
Operating lease rentals – land and buildings	688,355	1,077,585

8 INCOME TAX EXPENSE

The charge to tax arising in the company and included within these financial statements, is

i) Analysis of the tax (credit)/charge recognised in profit or loss

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Current tax comprising UK corporation tax (credit)/expense at 24% (2011 26%) on taxable losses for the year	-	(50,000)
Deferred tax expense relating to temporary differences	-	-
	-	(50,000)
Adjustments recognised in the current year in relation to the current tax of prior period	-	-
Total tax (credit)/charge	-	(50,000)

8. INCOME TAX EXPENSE – (continued)

Factors affecting the tax (credit)/charge

The total charge for the period can be reconciled to the accounting profits as follows -

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Loss on ordinary activities of the company before tax	(367,640)	(720,218)

i) Analysis of the tax (credit)/charge recognised in profit or loss – (continued)

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 26%)	(88,234)	(187,257)
Effect of		
Expenses that are not taxable/deductible in determining taxable profit	1,313	(1,259)
Depreciation add back	13,265	29,508
Capital allowances	(27,529)	(14,166)
Utilisation of current year losses	42,894	176,348
Other tax adjustments	58,291	(53,174)
Deferred tax	-	-
	-	(50,000)
Adjustments recognised in the current year in relation to prior period	-	-
Total tax (credit)/expense recognised in profit or loss	-	(50,000)

ii) Current tax assets and liabilities

	31 December 2012 £	31 December 2011 £
Current tax assets		
Tax refund receivable	-	176,348
	-	176,348

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Motor Vehicles	Fixtures and Fittings	Computer and Office Equipment	Total
COST	£	£	£	£	£
At 1 January 2012	406,700	90,694	263,195	80,917	841,506
Additions	50,835	-	3,906	3,083	57,824
Disposals	-	(90,694)	-	-	(90,694)
At 31 December 2012	457,535	-	267,101	84,000	808,636
DEPRECIATION					
At 1 January 2012	155,902	33,255	260,705	79,274	529,136
Expense for the year	46,116	4,535	2,849	1,772	55,272
Disposal	-	(37,790)	-	-	(37,790)
At 31 December 2012	202,018	-	263,554	81,046	546,618
CARRYING AMOUNT					
At 31 December 2012	255,517	-	3,547	2,954	262,018
At 31 December 2011	250,798	57,439	2,490	1,643	312,370

	Leasehold Improvements	Motor Vehicles	Fixtures and Fittings	Computer and Office Equipment	Total
COST	£	£	£	£	£
At 1 January 2011	406,700	90,694	263,066	86,515	846,975
Additions	-	-	129	423	552
Disposals	-	-	-	(6,021)	(6,021)
At 31 December 2011	406,700	90,694	263,195	80,917	841,506
DEPRECIATION					
At 1 January 2011	115,232	15,115	222,870	67,772	420,989
Expense for the year	40,670	18,140	37,835	16,849	113,494
Disposal	-	-	-	(5,347)	(5,347)
At 31 December 2011	155,902	33,255	260,705	79,274	529,136
CARRYING AMOUNT					
At 31 December 2011	250,798	57,439	2,490	1,643	312,370
At 31 December 2010	291,468	75,579	40,196	18,743	425,986

10. INVESTMENT IN ASSOCIATE

Associate	Country of Incorporation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Regency Residential (UK) Limited	Guernsey	50%	-	Real Estate Development

Although the company holds less than 20% of the voting power at shareholder meetings of Regency Residential (UK) Limited, the company exercises significant influence by virtue of its contractual right to Board representation

Summarised financial information in respect of the company's associate is set out below

	31 December 2012 £	31 December 2011 £
Total assets	5,015,418	7,311,414
Total liabilities	(338,523)	(2,353,854)
Net assets	4,676,895	4,957,560
Company's share of net assets of associate	2,338,448	2,478,780

Summarised financial information in respect of the company's associate results recognised in the Statement of Comprehensive Income is set out below

	31 December 2012 £	31 December 2011 £
Total revenue	1,340,812	2,450,000
Total expenses	(1,621,476)	(2,178,500)
Total (loss)/profit for the year	(280,664)	271,500
Company's share of (losses)/profits of associate	(140,332)	135,750
Company's share of other comprehensive income	-	-

11. TRADE AND OTHER RECEIVABLES

	31 December 2012 £	31 December 2011 £
Current		
Trade receivables	65,966	-
Amounts due from fellow Group undertakings (note 18a)	3,818,332	4,665,867
Prepayments	320,057	312,934
Other receivables	433,037	73,922
	4,637,392	5,052,723

Trade and other receivables disclosed above are classified as loans and receivables and are therefore measured at cost The average credit period on sales is not more than 30 days (2011 30 days)

The directors consider that the carrying amount of trade and other receivables approximates to their fair value

12. CASH AND CASH EQUIVALENTS

	31 December 2012 £	31 December 2011 £
Cash and bank balances	2,468,014	2,061,950

Cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less

13. TRADE AND OTHER PAYABLES

Current	31 December 2012 £	31 December 2011 £
Trade payables	6,320	23,347
Social security and other taxes	5,382	2,245
Accrued expenses	72,864	67,633
	84,566	93,225

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs The average credit period taken for trade purchases is not more than 30 days (2011 30 days)

The directors consider that the carrying amount of trade and other payables approximates to their fair value

14 ISSUED CAPITAL

	31 December 2012 £	31 December 2011 £
Allotted, issued and fully paid:		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
Authorised:		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000

15 RETAINED EARNINGS

	31 December 2012 £	31 December 2011 £
Balance at beginning of year	(11,054)	659,164
Loss for the year	(367,640)	(670,218)
Balance at end of year	(378,694)	(11,054)

16 FINANCIAL INSTRUMENTS

Categories of financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial liability and equity instrument are disclosed in note 3 to the financial statements

As at 31 December 2012	Loans and receivables £
Financial assets	
Current financial assets	
Trade and other receivables	4,317,355
Cash and cash equivalents	2,468,014
Total	6,785,369

As at 31 December 2012	Other financial liabilities £
Financial liabilities	
Current financial liabilities	
Trade and other payables	79,184

As at 31 December 2011	Loans and receivables £
Financial assets	
Current financial assets	
Trade and other receivables	4,739,789
Cash and cash equivalents	2,061,950
Total	6,801,739

As at 31 December 2011	Other financial liabilities £
Financial liabilities	
Current financial liabilities	
Trade and other payables	90,980

16 FINANCIAL INSTRUMENTS – (continued)

Capital risk management
The company manages its capital to ensure that it is able to continue as a going concern while also maintaining the capital requirements as imposed by the Financial Conduct Authority The company is capitalised at a level significantly in excess of the minimum regulatory level

The capital structure of the company consists of the equity of the company (comprising issued capital, less retained earnings)

The company currently has no external borrowings

Financial risk management objectives
The company's activities expose it to a variety of financial risks Its risk management policy to date has been to identify the principal business risks in achieving the company's strategic objectives, establishing appropriate internal controls to manage those risks and ensuring that appropriate monitoring and reporting systems are in place These controls are continually reviewed and where necessary improved

The company does not currently use derivative financial instruments to hedge any risk exposures as current policies implemented are considered to mitigate risk exposures The company does not enter into or trade financial instruments, including derivative financial instruments of a speculative nature

The company's approach to managing risks applicable to the financial instruments concerned is shown below

Market risk
The company does not generally take positions which expose it to price risk. However, the company's interest in Regency Residential (UK) Limited creates an exposure to the UK residential property market The business plan underpinning this investment provides for diversification across a range of developments backed up by rigorous due diligence and financial modelling before commitments are made, thereby spreading and mitigating risk

Foreign currency risk
The major part of the company's income and expenditure is in sterling although the company does hold assets denominated in currencies other than sterling, the functional currency It is therefore exposed to currency risk as the value of the financial instruments denominated in other currencies will fluctuate due to the changes in exchange rates The directors manage the company's exposure to foreign currency risk by monitoring the exposure on all foreign currency denominated assets and liabilities

In the current and prior year the company has had no material concentration of assets and liabilities in other currencies, monetary or non-monetary items The company has therefore not taken material positions to expose itself to material foreign currency risk

Interest rate risk
The company has no external borrowings which expose it to interest rate risk

The table below summarises the company's exposure to interest rate risks It includes the company's assets and liabilities at fair values, categorised by contractual maturity dates

16. FINANCIAL INSTRUMENTS – (continued)

At 31 December 2012	Less than 1 month £	Non-interest bearing £	Total £
Assets			
Other receivables and prepayments	-	4,637,392	4,637,392
Cash at bank	2,443,014	25,000	2,468,014
Total assets	2,443,014	4,662,392	7,105,406
Liabilities			
Other payables and accrued expenses	-	84,566	84,566
Total liabilities	-	84,566	84,566
Total interest sensitivity gap	2,443,014	-	2,443,014

At 31 December 2011	Less than 1 month £	Non-interest bearing £	Total £
Assets			
Other receivables and prepayments	-	5,229,071	5,229,071
Cash at bank	2,036,950	25,000	2,061,950
Total assets	2,036,950	5,254,071	7,291,021
Liabilities			
Other payables and accrued expenses	-	93,225	93,225
Total liabilities	-	93,225	93,225
Total interest sensitivity gap	2,036,950	-	2,036,950

16. FINANCIAL INSTRUMENTS – (continued)

Interest rate risk – (continued)

Should interest rates change with all other variables remaining constant, the change in net assets attributable to the company would not be significant

The company's financial assets do have exposure to interest rates risk through the cash deposits held However, the company does not seek to rely on financial income as a key source of revenue and it has been agreed at board level that all incidental interest earned will be applied for charitable purposes in order to comply with Sharia'a principles

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company The company has adopted a policy of only dealing with creditworthy counterparties

Cash deposits with banks give rise to counterparty risk The credit risk on liquid funds is mitigated as far as possible given the recent global economic conditions as the financial assets are held at major international banking companies with reported substantial financial strength and high grade credit ratings assigned by international credit-rating agencies

Trade and other receivables relate predominantly to balances owed from related parties and are managed in respect of cash flow risk by regularly monitoring the amounts outstanding and calling on funds to enable to the company to meet payments as they fall due

Other than the above the company does not have significant credit risk exposure to any single counterparty

The company's total financial assets represent its maximum exposure to credit risk None of the financial assets were past due as at the end of the reporting period The company does not hold any collateral or other credit enhancements to cover the credit risk For those assets that are not past due it is believed that the risk of default is limited

Liquidity risk
Liquidity risk refers to the risk that the company does not have sufficient financial resources to enable it to meet its obligations as they fall due

The directors consider trade payables' liquidity risk to be the most significant risk and this is managed by ensuring sufficient funds are available to meet amounts due as they fall payable The company aims to maintain high levels of liquidity at all times and the directors regularly monitor cash flow and management accounts to ensure that the company maintains adequate working capital

There were no capital commitments at the end of the reporting period The amounts in the table below are the contractual undiscounted cash flows

16. FINANCIAL INSTRUMENTS – (continued)

Liquidity risk – (continued)

31 December 2012	On demand	Less than 1 year £	No maturity £	Total £
Trade and other payables	84,566	-	-	84,566

31 December 2011	On demand £	Less than 1 year £	No maturity £	Total £
Trade and other payables	90,980	-	-	90,980

17 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The directors have considered the book values and fair values of the company's financial assets and liabilities as at 31 December 2012 and consider them to be approximate to their book value owing to the short term maturity of these instruments and the current low interest rate environment

18. RELATED PARTY DISCLOSURES

The immediate parent and ultimate controlling party respectively of the company are Cavendish Capital (Jersey) Limited, incorporated in Jersey, and Barwa Real Estate Company Q S C, incorporated in Qatar

Details of transactions between the company and other related parties are disclosed below

a) Amounts due from related parties

	31 December 2012 £	31 December 2011 £
Cavendish Capital (Jersey) Limited	3,617,569	3,131,002
Cavendish Real Estate Limited	145,976	1,483,288
New Cavendish Real Estate Limited	54,787	51,577
	3,818,332	4,665,867

18. RELATED PARTY DISCLOSURES – (continued)

b) Related party transactions charged to statement of comprehensive income

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Fees receivable		
Cavendish Capital (Jersey) Limited	514,766	2,259,032
Barwa Real Estate Company Q S C	-	416,667
	514,766	2,675,699
Rent and service charge payable		
Cavendish Real Estate Limited	(709,935)	(1,153,740)
	(195,169)	1,511,959

All of the related parties noted above form part of the Group headed by Barwa Real Estate Company Q S C

19. OPERATING LEASE ARRANGEMENTS

Operating leases relate to business premises with an initial lease term between 1 and 10 years The company does not have an option to purchase the leased asset at the expiry of the lease period

Payments recognised as an expense

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Recognised as expense in the year	688,585	1,077,585
Minimum lease payments	688,585	1,077,585

The company's business premises operating lease provided for a rent review in March 2012 Following the review the rent was agreed at £572,000 per annum

19 OPERATING LEASE ARRANGEMENTS – (continued)

Non-cancellable operating lease commitments

	31 December 2012 £	31 December 2011 £
Not later than one year	572,000	1,077,585
Later than one year and not later than five years	2,288,000	4,310,340
Later than five years	108,130	1,281,285
	2,968,130	6,669,210

The company as lessor

The property rental income earned by the company relates to business premises held by the company under existing lease terms, part of which has been leased out under a serviced office agreement with a term of 5 years The lessee does not have an option to purchase the leased asset at the expiry of the lease period

Non-cancellable operating lease receivables

	31 December 2012 £	31 December 2011 £
Not later than one year	440,990	-
Later than one year and not later than five years	1,396,470	-
	1,837,460	-