Company Registration No. 06317722 (England and Wales)

BARWA CAPITAL (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

BARWA CAPITAL (UK) LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

BARWA CAPITAL (UK) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013

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:	Ernst & Young LLP Liberation House Castle Street St Helier Jersey JE1 1EY
SHARIA'A ADVISORY BOARD:	Dr. Esam Khalaf Al-Enezi Sheikh Essam M. Ishaq Dr. Osama Qais S. Al Dereai

BARWA CAPITAL (UK) LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

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

Review of business and key performance indicators
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.

During the year the company applied for, and was granted by the Financial Conduct Authority, the withdrawal of its regulatory permissions. The company was not undertaking any services that fell within its regulatory permissions and the directors' therefore decided that they were surplus to requirements.

The directors consider turnover and pre-tax profit to be the key performance indicators.

The company's principal activity continues to be the providing of advisory services to its parent, Cavendish Capital (Jersey) Limited, and property rental income. Total fees and rents receivable for the period were £1.1million (2012: £0.711million) with a pre-tax loss of £176,585 compared to £367,640 in the prior year.

At the year end the state of affairs of the company was considered satisfactory by the directors, notwithstanding the losses incurred, as the company enters a period of transition with its business operations.

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.

Principal risks and uncertainties
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 £3.685 million (2012: £2.468 million).

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 set out in note 16.

Future developments
The directors are currently considering the future development of the company and exploring new business opportunities.

On behalf of the Board

A.H. Khan
Director

12/01/2015

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013

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

Results and dividends
The results for the year are set out on page 6. The directors do not recommend the payment of a dividend for the year.

Directors
The following directors held office during the year and subsequently to the date of this report, unless otherwise stated:

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

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

Future developments
The company's performance for the year and future developments are discussed in the Strategic Report.

Statement of Directors' responsibilities
The directors are responsible for preparing the Strategic Report, 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:

- present fairly the financial position, financial performance and cash flows of the company;
- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements that are reasonable;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the EU is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; and
- state whether the company's financial statements have been prepared in accordance with IFRSs as adopted by the EU.

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 of disclosure of information to auditors
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
During the year Baker Tilly UK Audit LLP resigned as auditor and Ernst & Young LLP have been appointed as auditor under section 485 of the Companies Act 2006. Ernst & Young LLP have expressed their willingness to remain in office.

On behalf of the Board

A.H. Khan
Director

12/01/2015

Building a better working world

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

We have audited the financial statements of Barwa Capital (UK) Limited ("the Company") for the year ended 31 December 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 19. 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 explained more fully in the Statement of Directors' Responsibilities 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 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 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 requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and 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 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.

Ernst + Young LLP

Christopher James Matthews, FCA (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Jersey, Channel Islands
16 January 2015

BARWA CAPITAL (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 31 December 2013 £	£	Year ended 31 December 2012 £	£
Continuing operations					
Revenue	5		1,092,034		710,750
Investment revenue	6	10,106		8,967	
Share of profits/(losses) of associate	10	89,722		(140,332)	
Administration expenses		(1,315,581)		(891,753)	
Depreciation expense		(52,866)		(55,272)	
			(1,268,619)		(1,078,390)
Loss before tax			**(176,585)**		(367,640)
Income tax credit	8		-		-
Loss for the year and total comprehensive deficit attributable to the owners of the company			**(176,585)**		(367,640)

The notes form part of these financial statements.

BARWA CAPITAL (UK) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	2013 £	2013 £	2012 £	2012 £
ASSETS					
Non-current assets					
Property, plant and equipment	9		209,152		262,018
Investment in associate	10		2,428,170		2,338,448
			2,637,322		2,600,466
Current assets					
Trade and other receivables	11	4,406,096		4,637,392	
Cash and cash equivalents	12	3,685,312		2,468,014	
			8,091,408		7,105,406
Total assets			10,728,730		9,705,872
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	13		1,284,009		84,566
Total liabilities			1,284,009		84,566
Equity					
Issued capital	14	10,000,000		10,000,000	
Retained earnings	15	(555,279)		(378,694)	
Total equity			9,444,721		9,621,306
Total equity and liabilities			10,728,730		9,705,872

The financial statements on pages 6 to 27 were approved by the Board of Directors and authorised for issue on

12/01/2015 and were signed on its behalf by

A.H. Khan
Director

Company registration No. 06317722

The notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Share capital £	Retained earnings £	Total equity £
Balance at 31 December 2011	10,000,000	(11,054)	9,988,946
Loss for the year and total comprehensive deficit	-	(367,640)	(367,640)
Balance at 31 December 2012	10,000,000	(378,694)	9,621,306
Loss for the year and total comprehensive deficit	-	(176,585)	(176,585)
Balance at 31 December 2013	10,000,000	(555,279)	9,444,721

BARWA CAPITAL (UK) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(176,585)	(367,640)
Depreciation of non-current assets	52,866	55,272
Finance income	(10,106)	(8,967)
Share of (profits)/losses of associate	(89,722)	140,332
Loss on sale of non-current assets	-	5,405
	(223,547)	(175,598)
MOVEMENTS IN WORKING CAPITAL		
Decrease in trade and other receivables	231,296	415,331
Increase/(decrease) in trade and other payables	1,199,443	(8,659)
Cash generated by operations	1,207,192	231,074
Income tax refunds received	-	176,348
NET CASH GENERATED BY OPERATING ACTIVITIES	**1,207,192**	**407,422**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	10,106	8,967
Proceeds on sale of non-current assets	-	47,499
Payments for property, plant and equipment	-	(57,824)
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES	**10,106**	**(1,358)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,217,298**	**406,064**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,468,014	2,061,950
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**3,685,312**	**2,468,014**

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.

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

The financial statements have been prepared on the historical cost basis.

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 as endorsed by the EU 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.

IFRS 13	Fair Value measurement, effective 1 January 2013
Amendments to IAS 1	Presentation of items of Other Comprehensive Income, effective 1 July 2012
IAS 19	Employee Benefits, effective 1 January 2013
IAS 27	Separate Financial Statements, effective 1 January 2013
IAS 28	Investments in Associates and Joint Ventures, effective 1 January 2013

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 9	Financial Instruments, effective 1 January 2018
IFRS 11	Joint Arrangements, effective 1 January 2014
IFRS 12	Disclosure of Interests in Other Entities, effective 1 January 2014
IFRS 15	Revenue from contracts, effective 1 January 2017
Amendments to IFRS 7	Mandatory effective date and Transition disclosures, effective 1 January 2015
Amendments to IFRS 10 and 12	Investment entities, effective 1 January 2014
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities

IFRS 11 and IFRS 12 were effective from 1 January 2013 for full IFRS, but were not endorsed by the EU until 2014, being effective for periods beginning on or after 1 January 2014. IFRS 9 and IFRS 15 have not yet been endorsed by the EU.

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 principal accounting policies adopted are set out below.

Notwithstanding the losses incurred for the year of £176,585, the company has a sound asset base with £3.7m of liquid funds.

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 unless guarantees or similar have been given by the company.

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 reporting period end. 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 future 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. In the event that lease incentives are offered to enter into operating leases, such incentives are recognised as an asset. The aggregate benefit of incentives is recognised as a reduction of rental income on a straight-line basis.

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 tax 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
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in sterling which is considered to be the company's functional and presentational currency.

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.

4. STAFF COSTS

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Wages and salaries	178,550	51,399
Social security costs	29,044	5,830
Termination payments	-	7,270
	207,594	64,499

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

	2013 No.	2012 No.
Management and administration	6	6

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Directors' emoluments		
Emoluments	11,266	-
	11,266	-

The company's key management personnel are considered to be the company's directors.

5. REVENUE

The company's revenue can be analysed as follows:

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Property rental income	527,068	195,984
Advisory services	534,966	514,766
Other income	30,000	-
	1,092,034	710,750

The company's revenue can be analysed geographically as follows:

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
United Kingdom	527,068	195,984
Channel Islands	564,966	514,766
	1,092,034	710,750

6. FINANCE INCOME

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Interest revenue:		
Bank deposits	10,106	7,915
Other interest	-	1,052
	10,106	8,967

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 2013 £	Year ended 31 December 2012 £
The loss before tax is stated after charging:		
Depreciation of property, plant and equipment on owned assets	52,866	55,272
Fees payable to the company's auditor for the audit of the company's annual accounts	16,000	24,000
Staff costs (see note 4)	207,594	64,499
Operating lease rentals – land and buildings	572,000	688,355

8. INCOME TAX EXPENSE

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

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

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Total tax charge	-	-

Factors affecting the tax charge
The total charge for the period can be reconciled to the accounting profits as follows:-

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Loss on ordinary activities of the company before tax	(176,585)	(367,640)

8. INCOME TAX EXPENSE – (continued)

Factors affecting the tax credit – (continued)

	Year ended 31 December 2013	Year ended 31 December 2012
Loss on ordinary activities	£	£
multiplied by the standard rate of corporation tax in the UK of 23% (2012: 24%)	(40,615)	(88,234)
Effect of:		
Expenses that are not taxable deductible in determining taxable profit	348	1,313
Depreciation add back	12,159	13,265
Interest in associate	(20,636)	-
Capital allowances	(6,315)	(27,529)
Losses arising	55,059	-
Utilisation of current year losses	-	42,894
Other tax adjustments	-	58,291
Total tax (credit)/expense recognised in profit or loss	-	-

ii) Current tax assets and liabilities

	31 December 2013	31 December 2012
	£	£
Current tax asset	-	-

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Fixtures and Fittings	Computer and Office Equipment	Total
COST	£	£	£	£
At 1 January 2013 and at 31 December 2013	457,535	267,101	84,000	808,636
DEPRECIATION				
At 1 January 2013	202,018	263,554	81,046	546,618
Expense for the year	50,259	1,302	1,305	52,866
At 31 December 2013	252,277	264,856	82,351	599,484
CARRYING AMOUNT				
At 31 December 2013	205,258	2,245	1,649	209,152
At 31 December 2012	255,517	3,547	2,954	262,018

9. PROPERTY, PLANT AND EQUIPMENT – (continued)

	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

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.

10. INVESTMENT IN ASSOCIATE – (continued)

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

	31 December 2013 £	31 December 2012 £
Total assets	5,175,905	5,015,418
Total liabilities	(319,565)	(338,523)
Net assets	4,856,340	4,676,895
Company's share of net assets of associate	2,428,170	2,338,448

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

	31 December 2013 £	31 December 2012 £
Total revenue	3,003,482	1,340,812
Total expenses	(2,824,038)	(1,621,476)
Total (loss)/profit for the year	179,444	(280,664)
Company's share of profits/(losses) of associate	89,722	(140,332)
Company's share of other comprehensive income	-	-

11. TRADE AND OTHER RECEIVABLES

	31 December 2013 £	31 December 2012 £
Current:		
Trade receivables	2,109	65,966
Amounts due from fellow Group undertakings (note 18a)	4,171,983	3,818,332
Prepayments	202,854	320,057
Other receivables	29,150	433,037
	4,406,096	4,637,392

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 (2012: 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 2013 £	31 December 2012 £
Cash and bank balances	3,685,312	2,468,014

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

	31 December 2013 £	31 December 2012 £
Current:		
Trade payables	4,049	6,320
Social security and other taxes	11,146	5,382
Accrued expenses	43,814	72,864
Amounts due to associate undertaking (note 18b)	1,225,000	-
	1,284,009	84,566

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases is not more than 30 days (2012: 30 days).

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

14. ISSUED CAPITAL

	31 December 2013 £	31 December 2012 £
Allotted, issued and fully paid:		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000

15. RETAINED EARNINGS

	31 December 2013 £	31 December 2012 £
Balance at beginning of year	(378,694)	(11,054)
Loss for the year	(176,585)	(367,640)
Balance at end of year	(555,279)	(378,694)

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 2013	**Loans and receivables** £
Financial assets	
Current financial assets	
Trade and other receivables	4,203,242
Cash and cash equivalents	3,685,312
Total	7,888,554

16. FINANCIAL INSTRUMENTS – (continued)

As at 31 December 2013 – (continued)

Financial liabilities	Other financial liabilities £
Current financial liabilities	
Trade and other payables	1,229,049

As at 31 December 2012

Financial assets	Loans and receivables £
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

Financial liabilities	Other financial liabilities £
Current financial liabilities	
Trade and other payables	6,320

Capital risk management

The company manages its capital to ensure that it is able to continue as a going concern, ensuring that it is capitalised at a level sufficient to ensure that the company can operate effectively and pursue future opportunities.

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.

16. FINANCIAL INSTRUMENTS – (continued)

Financial risk management objectives (continued)
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. The current project is in run off and therefore the risk exposure is reducing accordingly.

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.

At 31 December 2013	**Less than 1 month**	**Non-interest bearing**	**Total**
	£	**£**	**£**
Assets			
Other receivables and prepayments	-	4,203,242	4,203,242
Cash at bank	3,660,312	25,000	3,685,312
Total assets	3,660,312	4,228,242	7,888,554
Liabilities			
Other payables and accrued expenses	-	1,229,049	1,229,049
Total liabilities	-	1,229,049	1,229,049
Total interest sensitivity gap	3,660,312	2,999,193	6,659,505

16. FINANCIAL INSTRUMENTS – (continued)

At 31 December 2012	Less than 1 month £	Non-interest bearing £	Total £
Assets			
Trade and other receivables	-	4,317,355	4,317,355
Cash at bank	2,443,014	25,000	2,468,014
Total assets	2,443,014	4,342,355	6,785,369
Liabilities			
Trade and other payables	-	6,320	6,320
Total liabilities	-	6,320	6,320
Total interest sensitivity gap	2,443,014	4,336,035	6,779,049

At 31 December 2013, should interest rates change by 100 basis points with all other variables remaining constant, the change in net assets attributable to the company would amount to approximately £36,600 (2012: £24,400).

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.

16. FINANCIAL INSTRUMENTS – (continued)

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.

31 December 2013	On demand	Less than 1 year	No maturity	Total
		£	£	£
Trade and other payables	1,229,049	-	-	1,229,049

31 December 2012	On demand	Less than 1 year	No maturity	Total
	£	£	£	£
Trade and other payables	6,320	-	-	6,320

17. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no financial assets or financial liabilities of the company that are measured at fair value on a recurring basis, in either the current or prior year.

The directors have considered the book values and fair values of the company's financial assets and liabilities as at 31 December 2013 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 2013 £	31 December 2012 £
Cavendish Capital (Jersey) Limited	4,128,534	3,617,569
Cavendish Real Estate Limited	43,449	145,976
New Cavendish Real Estate Limited	-	54,787
	4,171,983	3,818,332

All of the related parties noted above form part of the Group headed by Barwa Real Estate Company Q.S.C. and the balances are interest free, unsecured and repayable on demand.

b) Amounts due to Associate undertaking

	31 December 2013 £	31 December 2012 £
Regency Residential (UK) Limited	1,225,000	-
	1,225,000	-

The balance owed to Regency Residential (UK) Limited is interest free, unsecured and repayable on demand.

c) Related party transactions charged to statement of comprehensive income

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Fees receivable		
Cavendish Capital (Jersey) Limited	534,966	514,766
Rent and service charge payable		
Cavendish Real Estate Limited	(572,000)	(709,935)
	(37,034)	(195,169)

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 2013 £	Year ended 31 December 2012 £
Recognised as expense in the year	572,000	688,585
Minimum lease payments	572,000	688,585

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.

Non-cancellable operating lease commitments

	31 December 2013 £	31 December 2012 £
Not later than one year	572,000	572,000
Later than one year and not later than five years	1,824,130	2,288,000
Later than five years	-	108,130
	2,396,130	2,968,130

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 2013 £	31 December 2012 £
Not later than one year	440,990	440,990
Later than one year and not later than five years	955,480	1,396,470
	1,396,470	1,837,460