

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017
FOR
BBAY (KNIGHTSBRIDGE) LTD

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BBAY (KNIGHTSBRIDGE) LTD

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FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017

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BBAY (KNIGHTSBRIDGE) LTD

COMPANY INFORMATION
FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017

Directors:

P C O'Driscoll
S A J Nahum

Registered office:

4th Floor
Millbank Tower
21-24 Millbank
London
SW1P 4QP

Registered number:

06908187 (England and Wales)

BBAY (KNIGHTSBRIDGE) LTD

DIRECTORS' REPORT **FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017**

The directors present their annual report and financial statements for the period ended 31 March 2017.

The company has not prepared a strategic report on the basis that the company qualifies as a small company under section 414B of the Companies Act 2006.

Principal activity

The principal activity of the company in the period under review was that of investment in real estate.

Events since the end of the period

Information relating to events since the end of the period is given in the notes to the financial statements.

Directors

The directors who have held office during the period from 1 January 2016 to the date of this report are as follows:

C V Convery - appointed 7 September 2016
G J Mundy - appointed 7 September 2016
V Anishchenko - resigned 11 February 2016
Miss K Artemi - appointed 11 February 2016 - resigned 31 March 2016
Ms N C Johnston - resigned 11 February 2016
M J Mchale - resigned 11 February 2016
C R Walker - appointed 31 March 2016 - resigned 7 September 2016

P C O'Driscoll and S A J Nahum were appointed as directors after 31 March 2017 but prior to the date of this report.

C V Convery and G J Mundy ceased to be directors after 31 March 2017 but prior to the date of this report.

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

On behalf of the board:



.....
P C O'Driscoll - Director

Date:

15/01/2018

BBAY (KNIGHTSBRIDGE) LTD**INCOME STATEMENT****FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017**

	Notes	Period 1/1/16 to 31/3/17 £	Year ended 31/12/15 £
Turnover		6,233,761	4,265,558
Administrative expenses		<u>(2,762,187)</u>	<u>(603,421)</u>
		3,471,574	3,662,137
Other operating income		<u>1,161,951</u>	<u>-</u>
Operating profit		4,633,525	3,662,137
Gain on revaluation of investment property		34,350,000	-
Interest receivable and similar income		<u>4,006</u>	<u>6,122</u>
		38,987,531	3,668,259
Interest payable and similar expenses		<u>(2,800,242)</u>	<u>-</u>
Profit before taxation		36,187,289	3,668,259
Tax on profit		<u>(5,443,336)</u>	<u>(1,324,772)</u>
Profit for the financial period		<u>30,743,953</u>	<u>2,343,487</u>

The notes form part of these financial statements

BBAY (KNIGHTSBRIDGE) LTD (REGISTERED NUMBER: 06908187)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2017

	Notes	2017 £	2015 £
Fixed assets			
Investment property	3	110,000,000	75,650,000
Current assets			
Debtors	4	5,042,604	5,237,218
Cash in hand		<u>712,407</u>	<u>2,256,565</u>
		5,755,011	7,493,783
Creditors			
Amounts falling due within one year	5	<u>2,973,540</u>	<u>2,021,049</u>
Net current assets		<u>2,781,471</u>	<u>5,472,734</u>
Total assets less current liabilities		112,781,471	81,122,734
Creditors			
Amounts falling due after more than one year	6	(42,947,169)	(47,424,456)
Provisions for liabilities		<u>(6,023,480)</u>	<u>(631,408)</u>
Net assets		<u>63,810,822</u>	<u>33,066,870</u>
Capital and reserves			
Ordinary share capital		1	1
Retained earnings		<u>63,810,821</u>	<u>33,066,869</u>
Shareholders' funds		<u>63,810,822</u>	<u>33,066,870</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 15/01/2018 and were signed on its behalf by:



P C O'Driscoll - Director

BBAY (KNIGHTSBRIDGE) LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017**

1. Statutory information

Bbay (Knightsbridge) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 06908187 and the registered office address is 4th Floor, Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in Sterling, which is the functional currency of the company, monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold and leasehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the period ended 31 March 2017 are the first financial statements of Bbay (Knightsbridge) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover represents rent and similar charges received from investment property, and is shown net of VAT and other sales related taxes.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017

2. **Accounting policies - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the companies statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic Financial Liabilities, which including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

BBAY (KNIGHTSBRIDGE) LTD

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017**

2. Accounting policies – continued

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

3. Investment property

	Total £
Fair value	
At 1 January 2016	75,650,000
Revaluations	<u>34,350,000</u>
At 31 March 2017	<u>110,000,000</u>
Net book value	
At 31 March 2017	<u>110,000,000</u>
At 31 December 2015	75,650,000

The investment property has been included at the director's valuation.

Open market value represents the amount at which the asset could be exchanged between a knowledgeable, willing party in an arm's length transaction after proper marketing at the date of valuation.

The directors consider the above to reflect the fair value.

4. Debtors

	2017 £	2015 £
Amounts falling due within one year:		
Trade debtors	233,145	675,344
Other debtors	<u>3,579,733</u>	<u>935,972</u>
	<u>3,812,878</u>	<u>1,611,316</u>
Amounts falling due after more than one year:		
Other debtors	<u>1,229,726</u>	<u>3,625,902</u>
Total Debtors	<u>5,042,604</u>	<u>5,237,218</u>

BBAY (KNIGHTSBRIDGE) LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE PERIOD 1 JANUARY 2016 TO 31 MARCH 2017**5. Creditors: amounts falling due within one year**

	2017	2015
	£	£
Trade creditors	536,236	470,390
Amounts owed to group undertakings	59,154	59,154
Taxation and social security	(769,239)	474,682
Other creditors	<u>3,147,389</u>	<u>1,016,823</u>
	<u>2,973,540</u>	<u>2,021,049</u>

6. Creditors: amounts falling due after more than one year

	2017	2015
	£	£
Amounts owed to group undertakings	41,717,443	43,798,554
Other creditors	<u>1,229,726</u>	<u>3,625,902</u>
	<u>42,947,169</u>	<u>47,424,456</u>

7. Related party disclosures

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

8. Post balance sheet events

On 11 February 2016 the Company's ultimate controlling party changed from Marigold Trust Company Limited to Astiko Holdings Limited.

On 2 May 2017 the Company's ultimate controlling party changed from Astiko Holdings Limited to Hightower Investments Corp.

BBAY (KNIGHTSBRIDGE) LTD**RECONCILIATION OF EQUITY
1 JANUARY 2015
(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Investment property	3	75,650,000	-	75,650,000
Current assets				
Debtors	4	5,077,224	-	5,077,224
Cash in hand		1,246,262	-	1,246,262
		6,323,486	-	6,323,486
Creditors				
Amounts falling due within one year	5	(2,509,260)	-	(2,509,260)
Net current assets		3,814,226	-	3,814,226
Total assets less current liabilities		79,464,226	-	79,464,226
Creditors				
Amounts falling due after more than one year		(48,668,435)	-	(48,668,435)
Provisions for liabilities		(72,407)	(788,824)	(861,231)
Net assets		30,723,384	(788,824)	29,934,560
Capital and reserves				
Ordinary share capital		1	-	1
Revaluation reserve		16,388,944	(16,388,944)	-
Retained earnings		14,334,439	15,600,120	29,934,559
Shareholders' funds		30,723,384	(788,824)	29,934,560

BBAY (KNIGHTSBRIDGE) LTD**RECONCILIATION OF EQUITY - continued**
31 DECEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Investment property	3	<u>75,650,000</u>	<u>-</u>	<u>75,650,000</u>
Current assets				
Debtors	4	5,237,218	-	5,237,218
Cash in hand		<u>2,256,565</u>	<u>-</u>	<u>2,256,565</u>
		<u>7,493,783</u>	<u>-</u>	<u>7,493,783</u>
Creditors				
Amounts falling due within one year	5	<u>(4,630,128)</u>	<u>2,609,079</u>	<u>(2,021,049)</u>
Net current assets		<u>2,863,655</u>	<u>2,609,079</u>	<u>5,472,734</u>
Total assets less current liabilities		78,513,655	2,609,079	81,122,734
Creditors				
Amounts falling due after more than one year		(43,798,554)	(3,625,902)	(47,424,456)
Provisions for liabilities		(81,471)	(549,937)	(631,408)
Accruals and deferred income		<u>(1,016,824)</u>	<u>1,016,824</u>	<u>-</u>
Net assets		<u>33,616,806</u>	<u>(549,936)</u>	<u>33,066,870</u>
Capital and reserves				
Ordinary share capital		1	-	1
Retained earnings		<u>33,616,805</u>	<u>(549,936)</u>	<u>33,066,869</u>
Shareholders' funds		<u>33,616,806</u>	<u>(549,936)</u>	<u>33,066,870</u>

BBAY (KNIGHTSBRIDGE) LTD**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Turnover	4,265,558	-	4,265,558
Administrative expenses	<u>(603,422)</u>	<u>1</u>	<u>(603,421)</u>
Operating profit	3,662,136	1	3,662,137
Interest receivable and similar income and	6,122	-	6,122
Profit before taxation	3,668,258	1	3,668,259
Tax on profit	<u>(774,835)</u>	<u>(549,937)</u>	<u>(1,324,772)</u>
Profit for the financial period	<u>2,893,423</u>	<u>(549,936)</u>	<u>2,343,487</u>