

**Victoria Gardens Development
Limited**

Directors' Report and Financial Statements

Year Ended

31 December 2022

Company Number 08644111

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Victoria Gardens Development Limited

Company Information

Directors	A. Alrashed R S Graham
Company secretary	Taylor Wessing Secretaries Limited
Registered number	08644111
Registered office	5 New Street Square London EC4A 3TW
Independent auditor	BDO LLP Statutory Auditor 55 Baker Street London W1U 7EU

Victoria Gardens Development Limited

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Victoria Gardens Development Limited

Directors' Report For the Year Ended 31 December 2022

The directors present their report together with the audited financial statements for the year ended 31 December 2022.

Principal activity

The company's principal activity during the year was the planning and development of the Stockley House site, London.

Results and dividends

The loss for the year, after taxation, amounted to £7,876,986 (2021 - loss of £6,874,800).

The directors do not recommend the payment of a dividend (2021 - £Nil).

Directors

The directors who served during the year were:

A. Alrashed
R. S. Graham

Qualifying third party indemnity provisions

The company maintains directors' and officers' liability insurance providing appropriate cover for any legal action brought against its directors.

Going concern

The financial statements have been prepared on a going concern basis. The directors have received confirmation from the company's parent, Rafaya Co. Limited, that its intention is to provide continuing support to the company, so that the company can continue to meet all its current obligations. In addition, the company's parent has provided a legally binding deed stating they will not demand repayment of funding or associated interest for at least 12 months from the date of approval of these financial statements.

Victoria Gardens Development Limited

Directors' Report (continued) For the Year Ended 31 December 2022

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

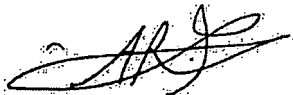
The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

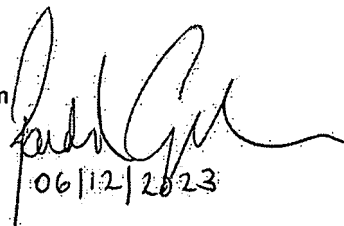
This report was approved by the board and signed on its behalf by:

A. Alrashed
Director



Date: 06/12/2023

R.S. Graham
Director



Date:

06/12/2023

Victoria Gardens Development Limited

Independent Auditor's Report to the Members of Victoria Gardens Development Limited

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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Victoria Gardens Development Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Victoria Gardens Development Limited

Independent Auditor's Report to the Members of Victoria Gardens Development Limited (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Director's responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Victoria Gardens Development Limited

Independent Auditor's Report to the Members of Victoria Gardens Development Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the applicable accounting standards and the Companies Act 2006.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Victoria Gardens Development Limited

Independent Auditor's Report to the Members of Victoria Gardens Development Limited (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls and to increase property stock valuations.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management, including the valuation of property stock for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

BDO LLP

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Richard Willis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

Date: 08 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Victoria Gardens Development Limited

Statement of Comprehensive Income For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Administrative expenses	4	(382,197)	(302,795)
Operating loss	4	(382,197)	(302,795)
Interest receivable and similar income		2,914	222
Interest payable to group entities	8	(7,497,703)	(6,572,227)
Loss before tax		(7,876,986)	(6,874,800)
Tax on loss	9	-	-
Loss for the financial year		(7,876,986)	(6,874,800)

There was no other comprehensive income for 2022 (2021 - £Nil)

The notes on pages 10 to 17 form part of these financial statements.

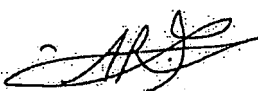
Victoria Gardens Development Limited
Registered number: 08644111

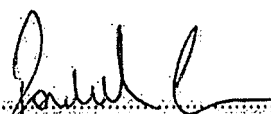
Statement of Financial Position
As at 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
Current assets					
Stocks	10	54,880,697		51,254,225	
Debtors: amounts falling due within one year	11	272,154		169,800	
Cash and cash equivalents		1,039,506		3,816,948	
Current liabilities		56,192,357		55,240,973	
Creditors: amounts falling due within one year	12	(52,707,471)		(43,879,101)	
Net current assets			3,484,886		11,361,872
Creditors: amounts falling due after more than one year	13		(33,300,000)		(33,300,000)
Net liabilities			(29,815,114)		(21,938,128)
Capital and reserves					
Share capital	14		10,700,100		10,700,100
Profit and loss account	15		(40,515,214)		(32,638,228)
Total equity			(29,815,114)		(21,938,128)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


A Alrashed
Director


R S Graham
Director

Date: 06/12/2023

The notes on pages 10 to 17 form part of these financial statements.

Victoria Gardens Development Limited

Statement of Changes in Equity For the Year Ended 31 December 2022

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2021	10,700,100	(25,763,428)	(15,063,328)
Comprehensive loss for the year			
Loss for the year	-	(6,874,800)	(6,874,800)
At 1 January 2022	10,700,100	(32,638,228)	(21,938,128)
Comprehensive loss for the year			
Loss for the year	-	(7,876,986)	(7,876,986)
At 31 December 2022	10,700,100	(40,515,214)	(29,815,114)

The notes on pages 10 to 17 form part of these financial statements.

Victoria Gardens Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. General information

The company is a private limited company limited by shares. It is both incorporated and domiciled in England and Wales under the Companies Act 2006. The registered office address is 5 New Street Square, London, EC4A 3TW. The company's principal activity is set out in the directors' report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The functional and presentational currency of these financial statements is GBP. All values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have received confirmation from the company's parent, Rafaya Co. Limited, that its intention is to provide continuing support to the company, so that the company can continue to meet all its current obligations. In addition, the company's parent has provided a legally binding deed stating they will not demand repayment of funding or associated interest for at least 12 months from the date of approval of these financial statements.

2.3 Stocks

Stock comprises a property purchased for redevelopment and is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price after deductions for the cost to complete and sell the property. The carrying amount is reviewed annually for impairment and any impairment loss is recognised immediately in the statement of comprehensive income.

2.4 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Victoria Gardens Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.6 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities, like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.7 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Interest income

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

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Victoria Gardens Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2: Accounting policies (continued)

2.11 Taxation

Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3: Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The directors have reviewed the financial statements and, given the nature of the activity carried out, consider that the valuation of stock is likely to be the only material judgement. The directors believe that stock is accurately reflected at the lower of cost and net realisable value.

Victoria Gardens Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

4. Administrative expenses

The operating loss is stated after charging administrative expenses of:

	2022 £	2021 £
Directors' remuneration	27,750	26,667
Gross wages	163,935	129,277
Employers' national insurance	16,158	11,502
Employers' pensions	2,641	2,386
Travelling	735	8,009
Employee expenses	7,197	-
Professional fees	7,251	23,571
Audit fees	13,075	10,813
Accountancy and tax fees	23,900	18,942
Bank charges	3,780	3,740
Exchange differences	-	114
Overseas travelling	686	575
Electricity	36,967	23,517
Premises insurance	29,721	27,513
Insurance	45,870	14,318
General office costs	2,503	1,851
Other interest paid	28	-
	<u>382,197</u>	<u>302,795</u>

5. Employees

The average monthly number of employees, including directors, during the year was 5 (2021 - 4).

6. Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £13,075 (2021 - £13,000).

7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	<u>27,750</u>	<u>26,667</u>

Victoria Gardens Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

8. Interest payable to group entities

	2022 £	2021 £
Interest on loan from group undertakings	7,497,703	6,572,227

See note 17 for details on the loan due to group undertakings.

9. Taxation

Due to a loss in the year, the company has not recognised a tax charge for the year ended 31 December 2022.

The company has tax losses and short-term timing differences which gives rise to a potential deferred tax asset of £15,891,722 (2021 - £13,921,007). However, this has not been recognised in the financial statements due to uncertainty over the timing of the future utilisation of the losses.

	2022 £	2021 £
Current tax on losses for the year	-	-
Total current tax	-	-

Factors affecting tax charge for the year:

	2022 £	2021 £
Loss on ordinary activities before tax	(7,876,986)	(6,874,800)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,496,627)	(1,306,212)
Effects of:		
Expenses not deductible for tax purposes	-	1,117
Remeasurement of deferred tax for changes in tax rates	(472,619)	(3,341,042)
Movement in deferred tax not recognised	1,969,246	4,646,137
Total tax charge for the year	-	-

10. Stocks

	2022 £	2021 £
Asset under construction	54,880,697	51,254,225

Victoria Gardens Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

11. Debtors: amounts falling due within one year

	2022 £	2021 £
Amounts owed by group undertakings	1,140	-
Other debtors	213,705	143,718
Prepayments	57,309	26,082
	<u>272,154</u>	<u>169,800</u>

See note 17 for details on amounts owed by related undertakings.

12. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	48,320	230,601
Amounts owed to group undertakings	52,605,535	43,607,831
Other taxation and social security	300	11
Other creditors	53,316	37,658
Accruals and deferred income	-	3,000
	<u>52,707,471</u>	<u>43,879,101</u>

See note 17 for details on amounts owed to related undertakings.

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

	2022 £	2021 £
Amounts owed to group undertakings	<u>33,300,000</u>	<u>33,300,000</u>

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid 10,700,100 ordinary shares of £1 each	<u>10,700,100</u>	<u>10,700,100</u>

All shares have equal voting rights.

Victoria Gardens Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

15. Reserves

The company's capital and reserves are as follows:

Share capital

Share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

16. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charges represents contributions payable by the company to the fund and amounted to £2,641 (2021 - £2,386). Contributions totalling £2,527 (2021 - £1,940) were payable to the fund at the reporting date.

17. Related party transactions

Included in creditors within one year, Class A loan notes totalling £26,400,000 were issued to Rafaya Co. Limited, the immediate parent of the company. These loan notes are repayable on 1 November 2024 and form part of the amount owed to group undertakings in note 13. Interest payable on the loan notes increased to SONIA plus 7% (2021 - LIBOR plus 7%) and SONIA has been used in the company's loan calculation.

During the year, interest of £2,218,867 (2021 - £1,980,000) relating to the Class A loan notes has been charged to the statement of comprehensive income. During the year no interest payment were made (2021 - £Nil).

Included in creditors within one year, Class B loan notes totalling £6,900,000 were issued to Rafaya Co. Limited. These loan notes are repayable on 1 November 2024 and form part of the amount owed to group undertakings disclosed in note 13. Interest payable on the loan notes increased to 16% from 1 January 2016 (from 12%).

During the year, interest of £1,104,000 (2021 - £1,104,000) relating to the Class B loan notes has been charged to the statement of comprehensive income. During the year no interest payment were made (2021 - £Nil).

In December 2015, a short term loan of £2,500,000 was provided to the company by Rafaya Co. Limited. This loan forms part of the amounts owed to group undertakings shown in note 12. Interest payable on the loan increased to 16% from January 2016.

During the year, interest relating to this short term loan has been charged to the statement of comprehensive income totalling £1,102,461 (2021 - £939,411). During the year no interest payment were made (2021 - £Nil).

In June 2016, a further short term loan of £2,500,000 was provided to the company by Rafaya Co. Limited. This loan forms part of the amounts owed to group undertakings shown in note 12. Interest payable on the loan at 16%.

During the year, interest relating to this short term loan has been charged to the statement of comprehensive income totalling £1,006,377 (2021 - £860,256). During the year no interest payment were made (2021 - £Nil).

Victoria Gardens Development Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

17. Related party transactions (continued)

In June 2017, a further short term loan of £2,750,000 was provided to the company by Rafaya Co. Limited. This loan forms part of the amounts owed to group undertakings shown in note 12. Interest payable on the loan at 16%.

During the year, interest relating to this short term loan has been charged to the statement of comprehensive income totalling £946,281 (2021 - £808,885). During the year no interest payment were made (2021 - £Nil).

In May 2019, a further short term loan of £4,000,000 was provided to the company by Rafaya Co. Limited. This loan forms part of the amounts owed to group undertakings shown in note 12. Interest payable on the loan at 16%.

During the year, interest relating to the short term loan has been charged to the statement of comprehensive income totalling £1,029,095 (2021 - £879,674). During the year no interest payments were made (2021 - £Nil).

In August 2022, a further short term loan of £1,500,000 was provided to the company by Rafaya Co. Limited. This loan forms part of the amounts owed to group undertakings shown in note 12. Interest payable on the loan at 16%.

During the year, interest relating to the short term loan has been charged to the statement of comprehensive income totalling £90,605. During the year no interest payments were made.

The total amount owed to Rafaya Co. Limited in respect of short term funding and accrued loan interest is £52,605,535 (2021 - £43,607,831). All loans are unsecured.

During the year, an amount of £30,000 (2021 - £24,000) was recognised in respect of directors' services provided by R S Graham. These services are invoiced by Taylor Wessing of which R S Graham is a partner.

During the year, Taylor Wessing invoiced legal expenses amounting £1,011 (2021 - £100,724) to the Company. As at the balance sheet date, £Nil (2021 - £Nil) was outstanding.

During the year, the company settled professional service fees from Taylor Wessing of £1,140 (2021 - £Nil) on behalf of Fountain 1 Limited, a company related by common control. As at the balance sheet date, £1,140 (2021 - £Nil) was outstanding.

18. Controlling party

The company's immediate and ultimate parent company is Rafaya Co. Limited, a company incorporated in Jersey. The registered address of Rafaya Co. Limited is SG Hambros House, 18 Esplanade, PO Box 197, St Helier, JE4 8RT. In the opinion of the directors the ultimate controlling party at the reporting date was Mr Abdullah S Al Rashid.