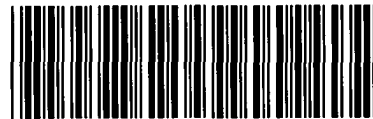


**REPORT OF THE DIRECTORS AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
FOR  
AWARDFORCE LIMITED**

SATURDAY



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08/12/2018  
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FOR THE YEAR ENDED 31 MARCH 2018**

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**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2018**

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**DIRECTORS:**

Mrs L E Klimt  
P R Klimt

**REGISTERED OFFICE:**

49 Welbeck Street  
London  
W1G 9XN

**REGISTERED NUMBER:**

04173964 (England and Wales)

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their report with the financial statements of the Company for the year ended 31 March 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that of property investment.

**DIRECTORS**

Mrs L E Klimt has held office during the whole of the period from 1 April 2017 to the date of this report.

Other changes in directors holding office are as follows:

P R Klimt was appointed as a director after 31 March 2018 but prior to the date of this report.

R G Simpson ceased to be a director after 31 March 2018 but prior to the date of this report.

**FINANCIAL INSTRUMENTS**

The objective of the Company in terms of financial instruments is to minimise risk. This is achieved by hedging the risk, using fixed rate loans where possible and where variable rate loans are taken out using interest rate swap contracts which limit the exposure to interest rate movements.

The Company's principal financial instruments comprise trade debtors, cash balances, trade creditors, loans with related parties and fixed rate bank loans.

Due to the nature of the financial instruments used by the Company there is no exposure to price risk. The Company's approach to managing other risks applicable to the financial instruments is shown below.

Trade debtors are managed in respect of credit and cash flow risk. Regular monitoring is made of amounts outstanding.

The liquidity risk of the cash balance is managed by reviewing the funds required. If sufficient funds are not available in the short term transfers are made from related parties.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available within the Company to meet amounts due.

Interests on the loans with related companies are calculated at bank base rate plus a margin of 200 basis points. The loans are repayable on demand.

The interest rate and the quarterly repayments on the bank loans are fixed. The Company manages its liquidity by ensuring there are sufficient funds to meet the payments on the loan as they fall due.

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:**



Mrs L E Klimt - Director

6 December 2018

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>TURNOVER</b>		380,428	372,228
Property expenses		(5,036)	(11,742)
<b>GROSS PROFIT</b>		375,392	360,486
Administrative expenses		(13,597)	(26,402)
		361,795	334,084
Other operating income		3,124	27,714
<b>OPERATING PROFIT</b>		364,919	361,798
Income from shares in group undertakings		-	200,000
Interest receivable and similar income	3	20	14
		364,939	561,812
Interest payable and similar expenses	4	(461,219)	(582,198)
<b>LOSS BEFORE TAXATION</b>		(96,280)	(20,386)
Tax on loss	5	(4,661)	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(100,941)	(20,386)

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>LOSS FOR THE YEAR</b>		(100,941)	(20,386)
<b>OTHER COMPREHENSIVE INCOME</b>			
Interest rate swap fair value adjustment		55,297	(69,845)
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>55,297</u>	<u>(69,845)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>(45,644)</u></u>	<u><u>(90,231)</u></u>

The notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION**  
**31 MARCH 2018**

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Investments	6	1,934,628	1,934,628
Investment property	7	5,270,000	5,270,000
		<u>7,204,628</u>	<u>7,204,628</u>
<b>CURRENT ASSETS</b>			
Debtors	8	14,723	56,295
Cash at bank		173,946	141,184
		<u>188,669</u>	<u>197,479</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(2,598,505)	(2,551,926)
<b>NET CURRENT LIABILITIES</b>		<u>(2,409,836)</u>	<u>(2,354,447)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,794,792	4,850,181
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(3,811,021)	(3,820,766)
<b>NET ASSETS</b>		<u>983,771</u>	<u>1,029,415</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	11	11
Share premium	14	634,723	634,723
Fair value reserve	14	(14,548)	(69,845)
Retained earnings	14	363,585	464,526
<b>SHAREHOLDER FUNDS</b>		<u>983,771</u>	<u>1,029,415</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 March 2018 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.

**STATEMENT OF FINANCIAL POSITION - continued**  
**31 MARCH 2018**

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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 6 December 2018 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'L E Klimt', with a stylized, flowing script.

Mrs L E Klimt - Director



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £	Total equity £
<b>Balance at 1 April 2016</b>	1	484,912	-	-	484,913
<b>Changes in equity</b>					
Issue of share capital	10	-	634,723	-	634,733
Total comprehensive income	-	(20,386)	-	(69,845)	(90,231)
<b>Balance at 31 March 2017</b>	11	464,526	634,723	(69,845)	1,029,415
<b>Changes in equity</b>					
Total comprehensive income	-	(100,941)	-	55,297	(45,644)
<b>Balance at 31 March 2018</b>	11	363,585	634,723	(14,548)	983,771

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. STATUTORY INFORMATION**

Awardforce Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Investment property**

Investment properties are accounted for in accordance with SSAP 19. They are valued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless on an individual property the deficit below original cost is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

**Operating leases**

Rentals payable under operating leases are charged against income on a straight line basis over the term of the lease.

**Loans**

The balance due from the company's subsidiary undertaking, Jaymoor Properties Limited is interest free and repayable on demand.

The balance due to the company's ultimate parent undertaking, Awardforce Mezzco Limited bears interest at a rate of 12.25%.

**Derivative financial instruments**

The Company uses interest rate swap contracts to reduce its exposure to movements in interest rates. Derivative financial instruments such as interest rate swap contracts are initially measured at fair value at the date at which the contract is entered into and reflected in the Balance Sheet. Subsequent movements in the fair value are recognised through Other Comprehensive Income. Payments made under such derivative financial instruments are charged to the Income Statement in the period to which the payments relate.

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018	2017
	£	£
Bank interest	20	14

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**4. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Bank loan interest payable	140,472	224,114
Finance costs amortised	45,552	81,399
Interest payable to group undertakings	275,195	276,685
	<u>461,219</u>	<u>582,198</u>

**5. TAXATION****Analysis of the tax charge**

The tax charge on the loss for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	4,661	-
Tax on loss	<u>4,661</u>	<u>-</u>

UK corporation tax was charged at 20% in 2017.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Loss before tax	<u>(96,280)</u>	<u>(20,386)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(18,293)	(4,077)
Effects of:		
Income not taxable for tax purposes	-	(40,000)
Group relief surrendered	22,954	28,374
Unused tax losses carried forward	-	15,703
Total tax charge	<u>4,661</u>	<u>-</u>

**Tax effects relating to effects of other comprehensive income**

	2018	
	Gross	Net
	£	£
Interest rate swap fair value adjustment	<u>55,297</u>	<u>55,297</u>
	2017	
	Gross	Net
	£	£
Interest rate swap fair value adjustment	<u>(69,845)</u>	<u>(69,845)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2017 and 31 March 2018	1,934,628
<b>NET BOOK VALUE</b>	
At 31 March 2018	1,934,628
At 31 March 2017	1,934,628

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Jaymoor Properties Limited**

Registered office: 49 Welbeck Street, London, W1G 9XN

Nature of business: Property Investment

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		2,778,120	2,634,491
Profit for the year		143,629	144,189

**Placedoor Limited**

Registered office: 49 Welbeck Street, London, W1G 9XN

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1	1

**Plantboost Limited**

Registered office: 49 Welbeck Street, London, W1G 9XN

Nature of business: Dormant

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1	1

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2018**
**6. FIXED ASSET INVESTMENTS - continued****Streamaccess Limited**

Registered office: 49 Welbeck Street, London, W1G 9XN

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2018	2017
		£	£
Aggregate capital and reserves		1	1
		<u>1</u>	<u>1</u>

**7. INVESTMENT PROPERTY****FAIR VALUE**

At 1 April 2017

and 31 March 2018

Total  
£

5,270,000

**NET BOOK VALUE**

At 31 March 2018

5,270,000

At 31 March 2017

5,270,000

The valuation of the investment properties was made as at 31 March 2018 by the directors of the Company on an open market value basis. No depreciation is provided in respect of these properties. On an historical cost basis the properties would have been included at an original cost of £4,945,918 (2017: £4,945,918).

Fair value at 31 March 2018 is represented by:

	£
Valuation in 2016	324,082
Valuation in 2017	4,945,918
	<u>5,270,000</u>

**8. DEBTORS**

	2018	2017
	£	£
Trade debtors	881	38,101
Other debtors	10,698	15,056
Prepayments and accrued income	3,144	3,138
	<u>14,723</u>	<u>56,295</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2018**
**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade creditors	882	5,466
Amounts owed to group undertakings	2,452,501	2,411,337
Corporation tax	4,661	-
Other taxes and social security	22,570	14,816
Other creditors	-	297
Deferred income	88,958	91,454
Accruals	28,933	28,556
	<u>2,598,505</u>	<u>2,551,926</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Bank loans (see note 11)	3,796,473	3,750,921
Interest rate swap	14,548	69,845
	<u>3,811,021</u>	<u>3,820,766</u>

**11. LOANS**

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due between two and five years:		
Bank loans repayable in between 2&5 years	<u>3,796,473</u>	<u>3,750,921</u>

**12. SECURED DEBTS**

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank loans	<u>3,796,473</u>	<u>3,750,921</u>

The company has a 5-year secured loan repayable in April 2021 with HSBC Bank plc ("HSBC"). The HSBC loan bears interest at a rate of 250bps over 3-month LIBOR. The loan is fully hedged by an interest rate swap, the effect of which is to fix the interest on the loan at a rate of 3.57% per annum.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2018	2017
Number:	Class:		£	£
1	Ordinary	1	1	1
1,000	'A' Ordinary	0.01	10	10
			<u>11</u>	<u>11</u>

**14. RESERVES**

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
At 1 April 2017	464,526	634,723	(69,845)	1,029,404
Deficit for the year	(100,941)	-	-	(100,941)
Revaluation in the year	-	-	55,297	55,297
At 31 March 2018	<u>363,585</u>	<u>634,723</u>	<u>(14,548)</u>	<u>983,760</u>

**15. CONTINGENT LIABILITIES**

The Company has also provided security in the form of a second charge over its investment property to Europa Capital Mezzanine Sarl who has provided a loan to the ultimate parent company of the Company's, Awardforce Mezzco Limited. The amount outstanding on this loan at the balance sheet date (including accrued interest) was £2,205,000

**16. RELATED PARTY DISCLOSURES**

During the year property management and accountancy fees of £13,629 (2017 - £13,343) were charged by Welbeck Investment Management Limited. Included in prepayments is an amount of £3,144 (2017 - £3,138) in respect of such fees.

R G Simpson is a director of Welbeck Investment Management Limited.

**17. ULTIMATE CONTROLLING PARTY**

The controlling party is Awardforce Holdco Limited.

The ultimate controlling party is Mrs L E Klimt.