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COMPANY REGISTRATION NUMBER: 00528421

Starmount (Securities) Limited

Financial Statements

30 November 2018



CLAYTON STARK & CO
Chartered Accountants & Statutory Auditors
5th Floor Charles House
108-110 Finchley Road
London NW3 5JJ

Starmount (Securities) Limited

Financial Statements

Year ended 30 November 2018

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Starmount (Securities) Limited

Officers and Professional Advisers

The board of directors	M A M Slowe FRICS M V Sternberg QC KCFO P Grossmith-Dwek N Tamir R Slowe D Sternberg
Company secretary	M A M Slowe FRICS
Registered office	5th Floor Charles House 108-110 Finchley Road London NW3 5JJ
Auditor	Clayton Stark & Co Chartered Accountants & Statutory Auditors 5th Floor Charles House 108-110 Finchley Road London NW3 5JJ
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

Starmount (Securities) Limited

Directors' Report

Year ended 30 November 2018

The directors present their report and the financial statements of the group for the year ended 30 November 2018.

Directors

The directors who served the company during the year were as follows:

M A M Slowe FRICS
M V Sternberg QC KCFO
P Grossmith-Dwek
N Tamir
R Slowe
D Sternberg

Dividends

Two interim dividends of £792.00 per share on each occasion on both the 'A' and 'B' ordinary shares were paid on 29 January 2018 and 31 July 2018 respectively. The payments of these dividends amounted to £674,784 in aggregate.

The directors do not recommend the payment of a final dividend.

Future developments

The principal activities of the group are detailed in note 1 to the financial statements and the directors will continue to pursue these activities as opportunities arise.

Qualifying indemnity provision

The company has purchased limited insurance cover for its Directors and officers against costs of defending them in legal proceedings taken against them in that capacity and in respect of any damages resulting from those proceedings. The insurance does not provide cover where the Director has acted fraudulently or dishonestly.

Other matters

The company does not have any formal pension arrangements except for the founding directors in the event that they retire; full details are given in note 24 to the financial statements.

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 group and the company and the profit or loss of the group for that period.

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

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

Starmount (Securities) Limited

Directors' Report *(continued)*

Year ended 30 November 2018

Directors' responsibilities statement *(continued)*

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and advantage has also been taken of the exemption of the requirement to prepare a strategic report.

This report was approved by the board of directors on 31 JUL 2019 and signed on behalf of the board by:

M A M Stowe FRICS
Company Secretary

Registered office:
5th Floor Charles House
108-110 Finchley Road
London NW3 5JJ

Starmount (Securities) Limited

Independent Auditor's Report to the Members of Starmount (Securities) Limited

Year ended 30 November 2018

Opinion

We have audited the financial statements of Starmount (Securities) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Starmount (Securities) Limited

Independent Auditor's Report to the Members of Starmount (Securities) Limited *(continued)*

Year ended 30 November 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 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 directors' responsibilities statement set out on pages 2 and 3, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Starmount (Securities) Limited

Independent Auditor's Report to the Members of Starmount (Securities) Limited *(continued)*

Year ended 30 November 2018

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 that 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.

NIRANJAN KARIYA FCA (Senior Statutory Auditor)

For and on behalf of
Clayton Stark & Co
Chartered Accountants & Statutory Auditors

2 AUG 2019

5th Floor Charles House
108-110 Finchley Road
London NW3 5JJ

Starmount (Securities) Limited

Consolidated Statement of Comprehensive Income

Year ended 30 November 2018

	Note	2018 £	2017 £
Turnover	4	6,083,522	6,248,701
Cost of sales		(1,633,430)	(1,850,517)
Gross profit		4,450,092	4,398,184
Administrative expenses		(1,577,159)	(1,551,991)
(Loss) on revaluation of investment properties		(966,300)	(1,466,886)
Gain / (Loss) on disposal of investment properties		507,012	(4,940)
Operating profit	5	2,413,645	1,374,367
Interest receivable	9	95,598	92,454
Interest payable	10	(86,099)	(63,695)
Profit before taxation		2,423,144	1,403,126
Tax on profit	11	(987,771)	(337,144)
Profit for the financial year		1,435,373	1,065,982
Profit on transfer from stock of properties to investment properties		2,694,471	1,158,253
Total comprehensive income for the year		4,129,844	2,224,235

All the activities of the group are from continuing operations.

Starmount (Securities) Limited

Consolidated Statement of Financial Position

30 November 2018

	Note		2018 £	2017 £
Fixed assets				
Tangible assets	13		47,952,000	45,483,000
Current assets				
Stocks	15	5,666,374		6,192,318
Debtors	16	3,437,574		2,145,659
Cash at bank and in hand		4,348,644		3,038,949
		13,452,592		11,376,926
Creditors: amounts falling due within one year	17	(5,116,203)		(3,721,597)
Net current assets			8,336,389	7,655,329
Total assets less current liabilities			56,288,389	53,138,329
Provisions				
Taxation including deferred tax	18		(195,000)	(500,000)
Net assets			56,093,389	52,638,329
Capital and reserves				
Called up share capital	21		426	426
Share premium account	22		41,061	41,061
Profit and loss account	22		56,051,902	52,596,842
Shareholders' funds			56,093,389	52,638,329

These financial statements were approved by the board of directors and authorised for issue on 31 JUL 2019 and are signed on behalf of the board by:

Michael V. Sternberg

M V Sternberg QC KCFO
Director

Company registration number: 00528421

Starmount (Securities) Limited

Company Statement of Financial Position

30 November 2018

	Note		2018 £	2017 £
Fixed assets				
Tangible assets	13		31,025,000	27,888,000
Investments	14		153	153
			31,025,153	27,888,153
Current assets				
Debtors	16	21,210,311		22,251,741
Cash at bank and in hand		114		433
		21,210,425		22,252,174
Creditors: amounts falling due within one year	17	(735,678)		(369,821)
Net current assets			20,474,747	21,882,353
Total assets less current liabilities			51,499,900	49,770,506
Provisions				
Taxation including deferred tax	18		(762,000)	(940,000)
Net assets			50,737,900	48,830,506
Capital and reserves				
Called up share capital	21		426	426
Share premium account	22		41,061	41,061
Profit and loss account	22		50,696,413	48,789,019
Shareholders' funds			50,737,900	48,830,506

The profit for the financial year of the parent company was £2,582,178 (2017: £2,353,654).

These financial statements were approved by the board of directors and authorised for issue on 31 JUL 2019 and are signed on behalf of the board by:

M V Sternberg QC KCFO
Director

Company registration number: 00528421

Starmount (Securities) Limited

Consolidated Statement of Changes in Equity

Year ended 30 November 2018

		Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 December 2016		426	41,061	51,047,817	51,089,304
Profit for the year				1,065,982	1,065,982
Other comprehensive income for the year:					
Profit on transfer from stock of properties to investment properties		–	–	1,158,253	1,158,253
Total comprehensive income for the year		–	–	2,224,235	2,224,235
Dividends paid and payable	12	–	–	(675,210)	(675,210)
Total investments by and distributions to owners		–	–	(675,210)	(675,210)
At 30 November 2017		426	41,061	52,596,842	**52,638,329**
Profit for the year				1,435,373	**1,435,373**
Other comprehensive income for the year:					
Profit on transfer from stock of properties to investment properties		–	–	2,694,471	**2,694,471**
Total comprehensive income for the year		–	–	4,129,844	**4,129,844**
Dividends paid and payable	12	–	–	(674,784)	**(674,784)**
Total investments by and distributions to owners		–	–	(674,784)	**(674,784)**
At 30 November 2018		426	41,061	56,051,902	**56,093,389**

Starmount (Securities) Limited

Company Statement of Changes in Equity

Year ended 30 November 2018

		Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 December 2016		426	41,061	47,110,575	47,152,062
Profit for the year				2,353,654	2,353,654
Total comprehensive income for the year		–	–	2,353,654	2,353,654
Dividends paid and payable	12	–	–	(675,210)	(675,210)
Total investments by and distributions to owners		–	–	(675,210)	(675,210)
At 30 November 2017		426	41,061	48,789,019	**48,830,506**
Profit for the year				2,582,178	**2,582,178**
Total comprehensive income for the year		–	–	2,582,178	**2,582,178**
Dividends paid and payable	12	–	–	(674,784)	**(674,784)**
Total investments by and distributions to owners		–	–	(674,784)	**(674,784)**
At 30 November 2018		426	41,061	50,696,413	**50,737,900**

Starmount (Securities) Limited

Consolidated Statement of Cash Flows

Year ended 30 November 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	**1,435,373**	1,065,982
Adjustments for:		
Fair value adjustment of investment property	**966,300**	1,466,886
Other interest receivable and similar income	**(95,598)**	(92,454)
Interest payable and similar expenses	**86,099**	63,695
(Gains)/loss on disposal of tangible assets	**(507,012)**	4,940
Profit on transfer from stock of properties to investment properties	**2,694,471**	1,158,253
Tax on profit	**987,771**	337,144
Changes in:		
Stocks	**525,944**	(1,312,232)
Trade and other debtors	**(1,287,771)**	58,302
Trade and other creditors	**877,082**	385,890
Cash generated from operations	**5,682,659**	3,136,406
Interest paid	**(83,202)**	(62,162)
Interest received	**91,454**	179,384
Tax paid	**(778,144)**	(726,564)
Net cash from operating activities	**4,912,767**	2,527,064
Cash flows from investing activities		
Purchase of tangible assets	**(5,818,594)**	(1,588,486)
Proceeds from sale of tangible assets	**2,890,306**	596,660
Net cash used in investing activities	**(2,928,288)**	(991,826)
Cash flows from financing activities		
Dividends paid	**(674,784)**	(675,210)
Net cash used in financing activities	**(674,784)**	(675,210)
Net increase in cash and cash equivalents	**1,309,695**	860,028
Cash and cash equivalents at beginning of year	**3,038,949**	2,178,921
Cash and cash equivalents at end of year	**4,348,644**	3,038,949

Starmount (Securities) Limited

Notes to the Financial Statements

Year ended 30 November 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 5th Floor Charles House, 108-110 Finchley Road, London, NW3 5JJ. The company's principal place of business is Unit 3, Delta Court, Manor Way, Borehamwood, Herts. WD6 1FJ.

The company's principal activity of the company is that of property investment and to act as a holding company. The principal activities of the main subsidiaries are property dealing and developing and investing in properties.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation
These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investment properties measured at fair value. The changes in fair values are recognised in the statement of comprehensive income.

Related party transactions
The group has taken advantage of the exemption from disclosing transactions between members of the group as they are wholly owned.

Basis of consolidation
The Group consolidated financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings. All intra-group transactions, balances, income and expenses and unrealised profits and losses on properties transferred within the group are eliminated on consolidation.

Where companies within the Group own properties jointly with other parties as tenants in common, it is only their share of assets, liabilities, income and expenditure that is brought into the accounts.

However, although unrealised profits and losses on properties transferred from the stock of properties of a subsidiary company to the portfolio of investment properties of the parent company do not form part of the group's profit or loss for the year, they have nonetheless been taken to the group's statement of comprehensive income as a "below the line" adjustment to the extent that such profits or losses effectively represent a revaluation adjustment to the stock of properties re-classified as investment properties.

A separate statement of comprehensive income for the parent company is omitted from the group financial statements as permitted by section 408 of the Companies Act 2006.

Judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The group's key source of estimation uncertainty relates to the revaluation of investment properties. The group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. One of the directors of the company, who is also a Chartered Surveyor, has determined the fair values as at 30 November 2018. The determined fair values of the investment properties are most sensitive to the estimated yields based on the locations and category of rental income. The key assumptions used to determine the fair values of the investment properties are further explained in note 13.

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

3. Accounting policies *(continued)*

Revenue recognition
Turnover comprises of sales of trading properties which are recognised where contracts have been completed during the accounting period and stated at net of value added tax and costs incurred on their disposal, and also the group's gross property income exclusive of value added tax.

The group's gross property income consists of rental income, service charges and insurances recoverable from tenants of both investment and dealing properties. FRS 102 requires any cost of incentives for lessees to enter into lease agreements to be spread over the lease term. However, where the lease term commenced before the date of transition to FRS 102 (i.e. 1 December 2015), it is permitted for the cost of the incentive to be spread over the shorter of the period from the commencement date to the date of the next rent review or the lease end date or the lease break clause, if applicable. Accordingly, the old treatment for incentive payments has been adopted.

Income tax
The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax the company is expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits either of the company or companies within the group. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Current or deferred taxation assets and liabilities are not discounted.

Tangible assets
The group's and the company's tangible assets comprise investment properties and include interests in joint-venture investment properties.

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment properties are revalued to their fair values at each reporting date and any changes in fair values are recognised in the statement of income and retained earnings.

Property purchases and disposals
Purchases and disposals of investment properties are recognised where contracts have been completed during the accounting period. Net surplus or deficit arising on sale, if applicable, is taken to the statement of income and retained earnings.

Property maintenance and refurbishment costs
Irrecoverable running costs directly attributable to specific properties are charged to the statement of income and retained earnings as costs of sales. Costs incurred in the improvement of the portfolio which, in the opinion of the directors, are not of a capital nature are written off to the statement of income and retained earnings as incurred.

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

3. Accounting policies *(continued)*

Administration expenses
All costs not directly attributable to the individual properties are treated as administration expenses.

Investments
Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets
A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly and a loss is recognised in the statement of income and retained earnings. Prior impairments are also reviewed for possible reversal at each reporting date.

Stock of trading properties
Stock of properties has been valued by the directors at the lower of cost and net realisable value on a basis consistent with previous years.

Financial instruments
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 entity after deducting all of its financial liabilities.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Sale of properties	**284,321**	449,759
Rents, insurances and service charges receivable	**5,799,201**	5,798,942
	6,083,522	6,248,701

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Impairment of trade debtors	**56,450**	59,100

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	**28,000**	28,000

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

7. Staff costs

The average number of persons employed by the group during the year, including the directors (who are also the only key employees), amounted to:

	2018 No.	2017 No.
Management staff	6	6

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018 £	2017 £
Wages and salaries	1,076,477	1,055,804
Social security costs	140,607	137,756
	1,217,084	1,193,560

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:4

	2018 £	2017 £
Remuneration (including benefits in kind)	1,091,677	1,069,804

Remuneration of the highest paid director in respect of qualifying services:

	2018 £	2017 £
Aggregate remuneration (including benefits in kind)	564,845	542,972

At both 30 November 2018 and 30 November 2017, the company's highest paid director was entitled to a post-retirement pension in the event that he retires, as detailed in note 24. No provision in respect thereof has been made in the accounts.

9. Interest receivable

	2018 £	2017 £
Loan interest receivable	81,784	83,927
Interest on cash and cash equivalents	6,309	700
Interest receivable on late payment of rents	7,505	7,827
	95,598	92,454

10. Interest payable

	2018 £	2017 £
Interest on tax	1,225	932
Interest payable on short-term loans	84,874	62,763
	86,099	63,695

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

11. Tax on profit

Major components of tax expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	**1,313,000**	792,000
Adjustments in respect of prior periods	**(20,229)**	(14,856)
Total current tax	**1,292,771**	777,144
Deferred tax:		
Origination and reversal of timing differences	**(305,000)**	(440,000)
Tax on profit	**987,771**	337,144

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.33%).

	2018	2017
	£	£
Profit on ordinary activities before taxation	**2,423,144**	1,403,126
Profit on ordinary activities by rate of tax	**460,397**	271,245
Adjustment to tax charge in respect of prior periods	**(20,229)**	(14,856)
Effect of expenses not deductible for tax purposes	**3,011**	–
Effect of capital allowances	**(6,964)**	(8,636)
Rounding on tax charge	**18,197**	20,957
Effect of taxable gains and profit or loss on disposal per accounts	**142,812**	955
Profit assessed on transfer from stock of properties to investment properties	**511,950**	223,908
Effect of losses / (gains) on revaluation of investment properties	**183,597**	283,571
Deferred tax adjustment relating to fair value adjustment of investment property	**(305,000)**	(440,000)
Tax on profit	**987,771**	337,144

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018	2017
	£	£
Equity dividends on ordinary shares	**674,784**	675,210

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

13. Tangible assets

Group	Investment properties £
Cost or valuation	
At 1 December 2017	**45,483,000**
Transfers from stock of properties of a subsidiary	**5,650,700**
Other additions	**167,894**
Disposals	**(2,383,294)**
Revaluations	**(966,300)**
At 30 November 2018	**47,952,000**
Carrying amount	
At 30 November 2018	**47,952,000**
At 30 November 2017	45,483,000

All of the group's investment properties were valued at 30 November 2018 by Mr M Slowe, a director of the company who is also a fellow of the Royal Institute of Chartered Surveyors of many years standing with considerable experience in the locations and category of investment properties being valued. The valuations have been carried out on an open market value basis in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. For most of the investment properties the estimated yield rates used varied from 6.00% to 16.00%; for one substantial property owned by one of the subsidiaries, multiple yield rates varying from 5.00% to 25% have been used to take account not only of prime covenants regarding certain leases but also concessional rents, vacant units and also the type of income such as that derived from the car parks for that property.

The historical cost of investment properties held at fair values attributable to the group at 30 November 2018 was £41,045,688 (2017 - £38,707,300).

The group's portfolio of investment properties includes some long leasehold properties. All the long leasehold properties are held by the holding company and details of these are given below.

Company	Investment properties £
Cost or valuation	
At 1 December 2017	**27,888,000**
Transfers from stock of properties of a subsidiary	**5,650,700**
Other additions	**167,894**
Disposals	**(2,383,294)**
Revaluations	**(298,300)**
At 30 November 2018	**31,025,000**
Carrying amount	
At 30 November 2018	**31,025,000**
At 30 November 2017	27,888,000

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

13. Tangible assets *(continued)*

The company's investment properties as at 30 November 2018 included long leasehold properties valued at £1,346,000 (2017 - £1,395,000).

The historical cost of investment properties attributable to the company at 30 November 2018 was £21,929,604 (2017 - £17,291,590).

Capital commitments

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Contracted for but not provided for in the financial statements	**1,031,000**	–	–	–

This comprises a subsidiary's share of the cost of purchase of a freehold investment property in partnership with other co-purchasers.

14. Investments

The group has no investments.

Company	**Shares in group undertakings**
	£
Cost	
At 1 December 2017 and 30 November 2018	**153**
Carrying amount	
At 1 December 2017 and 30 November 2018	**153**

The company's principal subsidiary undertakings are Martin Slowe Estates Limited whose principal activity is property dealing, and Workstone Limited and Myfield Limited whose principal activity is holding investment properties and also one dormant company, Botchergate Management Limited. All the companies are wholly owned and incorporated in England and Wales.

15. Stocks

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Stock of properties for resale	**5,666,374**	6,192,318	–	–

16. Debtors

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Trade debtors	**345,272**	415,033	**155,455**	179,098
Amounts owed by group undertakings	–	–	**19,682,212**	20,876,434
Prepayments and accrued income	**123,702**	152,979	**22,147**	21,062
Other debtors	**2,968,600**	1,577,647	**1,350,497**	1,175,147
	3,437,574	2,145,659	**21,210,311**	22,251,741

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

16. Debtors *(continued)*

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Other debtors	**1,518,451**	1,343,101	**1,349,951**	1,174,601

Company

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

17. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Trade creditors	**30,810**	45,555	**–**	–
Accruals and deferred income	**624,387**	562,803	**255,843**	187,646
Corporation tax	**1,004,771**	490,144	**341,771**	68,146
Social security and other taxes	**196,753**	209,013	**73,191**	60,647
Other creditors	**3,259,482**	2,414,082	**64,873**	53,382
	5,116,203	3,721,597	**735,678**	369,821

Included in other creditors are amounts due to related parties (see note 25).

18. Provisions

Group	**Deferred tax (note 19)**
	£
At 1 December 2017	**500,000**
Additions	**(305,000)**
At 30 November 2018	**195,000**

Company	**Deferred tax (note 19)**
	£
At 1 December 2017	**940,000**
Additions	**(178,000)**
At 30 November 2018	**762,000**

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Included in provisions (note 18)	**195,000**	500,000	**762,000**	940,000

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

19. Deferred tax *(continued)*

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Fair value adjustment of investment property	**195,000**	500,000	**762,000**	940,000

20. Financial instruments

Financial instruments are measured at historic cost. Debtors due after more than one year comprise of mortgages to unrelated parties at market rates in respect of properties disposed to these parties by companies within the group. All creditors are due within one year and repayable on demand.

21. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	**£**	No.	£
'A' Ordinary shares of £1 each	**284**	**284**	284	284
'B' Ordinary shares of £1 each	**142**	**142**	142	142
	426	**426**	426	426

Both the 'A' and 'B' shares rank equally as one class for participation in the profits and assets of the company.

There shall always be an even number of directors of which fifty percent must be 'A' directors (appointed by 'A' shareholders) and the other fifty percent 'B' directors (appointed by 'B' shareholders). As at 30 November 2018 there were 3 'A' directors and 3 'B' directors.

22. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold or issued, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

The profit and loss account also includes unrealised surpluses net of losses on revaluation of investment properties; these unrealised surpluses, after providing for the related deferred taxation in respect thereof, were as follows:

	2018	2017
	£	£
Group	**6,711,312**	6,275,700
Company	**8,333,396**	9,656,410

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

23. Operating leases

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Not later than 1 year	**3,355,401**	3,198,921	**2,176,790**	1,902,539
Later than 1 year and not later than 5 years	**9,900,763**	9,097,776	**5,964,636**	4,806,910
Later than 5 years	**10,851,132**	10,393,692	**6,000,629**	5,600,850
	24,107,296	22,690,389	**14,142,055**	12,310,299

Contingent rents included in turnover for the year amounted to £96,374 (2017 - £104,908).

24. Contingencies

The late Sir Sigmund Sternberg (who passed away in October 2016 without drawing a pension) and Mr. Martin Slowe entered into an agreement with the company which entitled them to a pension upon their retirement or termination of employment with the group.

The late Sir Sigmund Sternberg and Mr. Martin Slowe established the group over forty years ago and have been directors since then. In consideration of their long service to the group, the company entered into a covenant with each of them on 11 August 2011 whereby the company undertook to pay an annual pension upon their retirement. The amount of the pension payable will be equivalent to two-thirds of the base annual salary payable immediately prior to their retirement or termination of their employment with the group. The pension will be increased by retail prices index on each anniversary following the date of cessation of employment and will be payable by equal monthly instalments. The base annual salary at 30 November 2018 was £555,850.

As at the date of the approval of the accounts Mr Martin Slowe had not notified the company and the group of his intention to retire.

The company has given unlimited guarantees to the bankers of two subsidiaries, Martin Slowe Estates Limited and Workstone Limited to secure any borrowings by them. These companies did not have any borrowings at any time during the current or previous years.

25. Related party transactions related parties

Related parties

M Slowe, P Grossmith-Dwek and N Tamir are all directors of the company. Martin Slowe Children's Settlement and Martin Slowe Grandchildren's Settlement are two of three trusts with common trustees. The three trusts own in total, one-third of the equity share capital of the company. P Grossmith-Dwek and M Slowe were directors of Martin Slowe Consultancy Limited at 30 November 2018 and this company is owned by their family interests. Martin Slowe resigned as director of this company on 24 April 2019. Mrs H Grossmith-Dwek is M Slowe's daughter and also the spouse of P Grossmith-Dwek. Mrs E Scholl also is a daughter of M Slowe. J Tamir is the son of N Tamir.

Loans by certain other parties related to M Slowe and P Grossmith-Dwek and interest payable in respect thereof, are disclosed in aggregate shown as "Other parties related to M Slowe".

Starmount (Securities) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

25. Related party transactions related parties *(continued)*

Transactions with related parties

Included in other creditors (amounts falling due within one year), are loans to the group and the company by related parties as follows:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Martin Slowe Consultancy Limited	**706,929**	489,658	**–**	–
M Slowe FRICS	**4,700**	745	**–**	–
Martin Slowe Children's Settlement	**503,513**	197,099	**–**	–
Martin Slowe Grandchildren's Settlement	**198,367**	152,184	**–**	–
Mrs H Grossmith-Dwek	**21,689**	40,943	**–**	–
P and Mrs H Grossmith-Dwek	**184,209**	179,895	**–**	–
Mrs E Scholl	**125,442**	212,080	**–**	–
J Tamir	**418,784**	310,559	**–**	–
Other parties related to M Slowe	**1,002,231**	751,642	**–**	–

All the loans to the group that were outstanding as at the year-end are unsecured and are repayable on demand. Interest was paid during the year on these loans at 2.5 % over the Bank Base Rate in line with market rates. The total amount of interest in respect of the above loans that remained unpaid at the year end and included in accruals and deferred income was £11,171 (2017 - £8,289).

Interest payable to various related parties in respect of loans to the group and the company was as follows:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Martin Slowe Consultancy Limited	**18,180**	11,266	**–**	–
M Slowe FRICS	**1,702**	2,002	**–**	–
Martin Slowe Children's Settlement	**8,221**	7,417	**–**	–
Martin Slowe Grandchildren's Settlement	**5,574**	4,240	**–**	–
Mrs H Grossmith-Dwek	**863**	1,534	**–**	–
P and Mrs H Grossmith-Dwek	**5,445**	3,801	**–**	–
Mrs E Scholl	**6,201**	5,710	**–**	–
J Tamir	**10,629**	9,205	**–**	–
Other parties related to M Slowe	**28,011**	15,372	**–**	–

Dividends paid to related parties were as follows:

Group and Company

	2018	2017
	£	£
Executors of the Estate of Sir Sigmund Sternberg	**315,216**	320,170
M V Sternberg QC KCFO	**39,600**	39,625
Martin Slowe Children's Settlement	**112,464**	112,535
Martin Slowe Grandchildren's Settlement	**80,784**	80,835
Other parties related to M Slowe	**31,680**	31,700

26. Controlling party

The company is not controlled by any single party.