Company Registration No. 03216813 (England and Wales)

# CRESSIDA (FOSTER LANE) LIMITED

## UNAUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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## CRESSIDA (FOSTER LANE) LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | Mr Jonathan D Harris CBE, F Inst CPD, FRICS<br>Mrs J C Harris<br>Mr J L Green (Appointed 10 March 2017) |
| **Company number** | 03216813 |
| **Registered office** | 37 Warren Street<br>London<br>W1T 6AD |
| **Accountants** | Silver Levene and Associates Limited<br>Chartered Certified Accountants<br>37 Warren Street<br>London<br>W1T 6AD |
| **Business address** | 24 Hays Mews<br>London<br>W1J 5PY |

CRESSIDA (FOSTER LANE) LIMITED

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## CRESSIDA (FOSTER LANE) LIMITED

## BALANCE SHEET

## AS AT 30 JUNE 2017

**Company Registration No. 03216813**

| | Notes | 2017 £ | 2017 £ | 2016 £ | 2016 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Investment properties | 3 | | 1,517,564 | | 1,517,564 |
| **Current assets** | | | | | |
| Debtors | 4 | 18,247 | | 21,399 | |
| Cash at bank and in hand | | 22,566 | | 17,365 | |
| | | 40,813 | | 38,764 | |
| **Creditors: amounts falling due within one year** | 5 | (295,922) | | (69,386) | |
| **Net current liabilities** | | | (255,109) | | (30,622) |
| **Total assets less current liabilities** | | | 1,262,455 | | 1,486,942 |
| **Creditors: amounts falling due after more than one year** | 6 | | - | | (250,767) |
| **Provisions for liabilities** | 7 | | (190,733) | | (200,772) |
| **Net assets** | | | 1,071,722 | | 1,035,403 |
| **Capital and reserves** | | | | | |
| Called up share capital | 8 | | 4,500 | | 4,500 |
| Capital redemption reserve | | | 500 | | 500 |
| Profit and loss reserves | | | 1,066,722 | | 1,030,403 |
| **Total equity** | | | 1,071,722 | | 1,035,403 |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 2nd February 2018 and are signed on its behalf by:

.....

Mr Jonathan D Harris CBE, F Inst CPD, FRICS

**Director**

## CRESSIDA (FOSTER LANE) LIMITED

## STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2017

| | Share capital | Revaluation reserve | Capital redemption reserve | Profit and loss reserves | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Balance at 1 July 2015** | 4,500 | 1,003,858 | 500 | 189,703 | 1,198,561 |
| Effect of transition to FRS 102 | - | (1,003,858) | - | 803,086 | (200,772) |
| **As restated** | 4,500 | - | 500 | 992,789 | 997,789 |
| **Year ended 30 June 2016:** | | | | | |
| Profit and total comprehensive income for the year | - | - | - | 37,614 | 37,614 |
| **Balance at 30 June 2016** | 4,500 | - | 500 | 1,030,403 | 1,035,403 |
| **Year ended 30 June 2017:** | | | | | |
| Profit and total comprehensive income for the year | - | - | - | 36,319 | 36,319 |
| **Balance at 30 June 2017** | 4,500 | - | 500 | 1,066,722 | 1,071,722 |

Included in profit and loss reserves, unrealised profit of £813,125.

## 1 Accounting policies

### Company information

Cressida (Foster Lane) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 37 Warren Street, London, W1T 6AD.

### 1.1 Accounting convention

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

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

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

These financial statements for the year ended 30 June 2017 are the first financial statements of Cressida (Foster Lane) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### 1.3 *Turnover*

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover comprises of rent, insurance and recharges receivable from tenants.

### 1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

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

### 1.5 Cash at bank and in hand

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

1 Accounting policies (Continued)

1.6 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

**Basic financial assets**

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

**Impairment of financial assets**

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

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

**Classification of financial liabilities**

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

1 Accounting policies (Continued)

**Basic financial liabilities**

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

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

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

**Derecognition of financial liabilities**

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

**1.7 Equity instruments**

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

**1.8 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.9 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

## 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2016 - 2).

## 3 Investment property

| | 2017 |
|---|---|
| | £ |
| **Fair value** | |
| At 1 July 2016 and 30 June 2017 | 1,517,564 |

The fair value of the investment property has been arrived by the directors' estimate of an open market value. The directors believe that the carrying amount in the financial statements is approximate to it's fair value.

## 4 Debtors

| | 2017 | 2016 |
|---|---|---|
| **Amounts falling due within one year:** | £ | £ |
| Trade debtors | 17,647 | 20,799 |
| Other debtors | 600 | 600 |
| | 18,247 | 21,399 |

## 5 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | - | 24,400 |
| Amounts due to group undertakings | 253,980 | 3,657 |
| Corporation tax | 3,007 | 522 |
| Other creditors | 38,935 | 40,807 |
| | 295,922 | 69,386 |

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

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | - | 250,767 |

## 7 Provisions for liabilities

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Deferred tax liabilities | 190,733 | 200,772 |

## 8 Called up share capital

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 4,500 Ordinary shares of £1 each | 4,500 | 4,500 |
| | 4,500 | 4,500 |

## 9 Related party transactions

The company has taken advantage of the exemption provided in FRS 102 Section 1A from disclosing transactions with members of the same group that are wholly owned.

## 10 Reconciliations on adoption of FRS 102

This is the first year the company has presented its financial results under FRS102. The last financial statements under UK GAAP were for the year ended 30 June 2016. The date of transition to FRS102 was 1 July 2015.

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

**Reconciliation of equity**

| | Notes | 1 July 2015 £ | 30 June 2016 £ |
|---|---|---|---|
| Equity as reported under previous UK GAAP | | 1,198,561 | 1,236,175 |
| Adjustments arising from transition to FRS 102: | | | |
| Deferred tax on revaluation of investment properties | 1 | (200,772) | (200,772) |
| Equity reported under FRS 102 | | 997,789 | 1,035,403 |

## 10 Reconciliations on adoption of FRS 102 (Continued)

### Reconciliation of profit for the financial period

| | 2016 £ |
|---|---|
| Profit as reported under previous UK GAAP and under FRS 102 | 37,614 |

### Reconciliation of equity

| | | At 1 July 2015 | | | At 30 June 2016 | | |
|---|---|---|---|---|---|---|---|
| | Notes | Previous UK GAAP £ | Effect of transition £ | FRS 102 £ | Previous UK GAAP £ | Effect of transition £ | FRS 102 £ |
| **Fixed assets** | | | | | | | |
| Investment properties | | 1,475,000 | - | 1,475,000 | 1,517,564 | - | 1,517,564 |
| **Current assets** | | | | | | | |
| Debtors | | 21,091 | - | 21,091 | 21,399 | - | 21,399 |
| Bank and cash | | 21,561 | - | 21,561 | 17,365 | - | 17,365 |
| | | 42,652 | - | 42,652 | 38,764 | - | 38,764 |
| **Creditors due within one year** | | | | | | | |
| Loans and overdrafts | | (24,408) | - | (24,408) | (24,400) | - | (24,400) |
| Taxation | | (4,302) | - | (4,302) | (522) | - | (522) |
| Other creditors | | (17,188) | - | (17,188) | (44,464) | - | (44,464) |
| | | (45,898) | - | (45,898) | (69,386) | - | (69,386) |
| Net current liabilities | | (3,246) | - | (3,246) | (30,622) | - | (30,622) |
| Total assets less current liabilities | | 1,471,754 | - | 1,471,754 | 1,486,942 | - | 1,486,942 |
| **Creditors due after one year** | | | | | | | |
| Loans and overdrafts | | (273,193) | - | (273,193) | (250,767) | - | (250,767) |
| **Provisions for liabilities** | | | | | | | |
| Deferred tax | 1 | - | (200,772) | (200,772) | - | (200,772) | (200,772) |
| Net assets | | 1,198,561 | (200,772) | 997,789 | 1,236,175 | (200,772) | 1,035,403 |

## 10 Reconciliations on adoption of FRS 102 (Continued)

| | Notes | At 1 July 2015 Previous UK GAAP £ | Effect of transition £ | FRS 102 £ | At 30 June 2016 Previous UK GAAP £ | Effect of transition £ | FRS 102 £ |
|---|---|---|---|---|---|---|---|
| **Capital and reserves** | | | | | | | |
| Share capital | | 4,500 | - | 4,500 | 4,500 | - | 4,500 |
| Revaluation reserve | 2 | 1,003,858 | (1,003,858) | - | 1,003,858 | (1,003,858) | - |
| Capital redemption | | 500 | - | 500 | 500 | - | 500 |
| Profit and loss | 2 | 189,703 | 803,086 | 992,789 | 227,317 | 803,086 | 1,030,403 |
| Total equity | | 1,198,561 | (200,772) | 997,789 | 1,236,175 | (200,772) | 1,035,403 |

**Reconciliation of profit for the financial period**

| | Year ended 30 June 2016 Previous UK GAAP £ | Effect of transition £ | FRS 102 £ |
|---|---|---|---|
| Turnover | 81,579 | - | 81,579 |
| Cost of sales | (7,709) | - | (7,709) |
| Gross profit | 73,870 | - | 73,870 |
| Administrative expenses | (44,767) | - | (44,767) |
| Exceptional items | 21,343 | - | 21,343 |
| Operating profit | 50,446 | - | 50,446 |
| Interest payable and similar expenses | (12,310) | - | (12,310) |
| Taxation | (522) | - | (522) |
| Profit for the financial period | 37,614 | - | 37,614 |

**Notes to reconciliations on adoption of FRS 102**

**1. Deferred tax**

The company has accounted for deferred taxation on transition on revaluation of investment properties. Under previous GAAP, the company was not required to provide for taxation on revaluation, unless the company had entered into a binding sale agreement and recognised the gain or loss expected to arise. Under FRS 102 deferred taxation is provided on the temporary difference arising from revaluation. A deferred tax charge of £200,772 arose on transition to FRS 102.

**10 Reconciliations on adoption of FRS 102** **(Continued)**

**2. Revaluation reserve**

Under the previous GAAP, the revaluation reserve arose on the revaluation of investment properties. Under FRS 102, gains and losses arising from changes in the fair value of investment properties are recognised in profit or loss. As a result, the difference between the revalued amount and the asset's original cost is transferred from revaluation reserve to retained earnings.