

A.J.Garnett Limited

Unaudited Financial Statements

Year Ended

31 December 2019

Company Number 00169935

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A.J.Garnett Limited

Company Information

Directors
Mrs B Langford
Mrs B Langford Grunert
Mrs C Vaigncourt - Strallen
Mrs P Tate

Company secretary Mr C N Malacrida

Registered number 00169935

Registered office
150 Aldersgate Street
London
EC1A 4AB

Accountants
BDO LLP
Chartered Accountants
150 Aldersgate Street
London
EC1A 4AB

A.J.Garnett Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of A.J.Garnett Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of A.J.Garnett Limited for the year ended 31 December 2019 as set out on pages 2 to 8 from the company's accounting records and from information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of A.J.Garnett Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of A.J.Garnett Limited and state those matters that we have agreed to state to the Board of Directors of A.J.Garnett Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than A.J.Garnett Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that A.J.Garnett Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of A.J.Garnett Limited. You consider that A.J.Garnett Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of A.J.Garnett Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

BDO LLP

BDO LLP
London
United Kingdom

Date: 24 June 2020

A.J.Garnett Limited
Registered number:00169935

Balance Sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investment property	5	2,000,000	2,000,000
		<u>2,000,000</u>	<u>2,000,000</u>
Current assets			
Debtors: amounts falling due within one year	6	-	43
Cash at bank and in hand		65,492	57,788
		<u>65,492</u>	<u>57,831</u>
Creditors: amounts falling due within one year	7	(35,687)	(35,628)
Net current assets		<u>29,805</u>	<u>22,203</u>
Total assets less current liabilities		<u>2,029,805</u>	<u>2,022,203</u>
Provisions for liabilities			
Deferred tax	9	(315,738)	(315,738)
		<u>(315,738)</u>	<u>(315,738)</u>
Net assets		<u><u>1,714,067</u></u>	<u><u>1,706,465</u></u>
Capital and reserves			
Called up share capital	10	6,000	6,000
Non-distributable reserve		1,643,498	1,643,498
Other reserves		14,863	14,863
Profit and loss account		49,706	42,104
		<u><u>1,714,067</u></u>	<u><u>1,706,465</u></u>

A.J.Garnett Limited
Registered number:00169935

Balance Sheet (continued)
As at 31 December 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

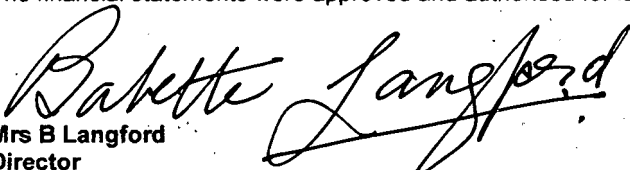
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


Mrs B Langford
Director

Date: 20 June 2020

The notes on pages 4 to 8 form part of these financial statements.

A.J.Garnett Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which all of the Company's transactions are denominated. They comprise the financial statements of the Company for the year ended 31 December 2019 and presented to the nearest pound.

The Company has determined that the (GBP) is its functional currency, as this is the currency of the country in which the Company operates.

The Company is a United Kingdom company limited by shares. It is both incorporated in England and Wales. The address of its registered office is 150 Aldersgate Street, London, United Kingdom, EC1A 4AB.

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 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 following principal accounting policies have been applied:

2.2 Going concern

The directors of the Company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company, its tenant, employees and suppliers. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate in the short term, however depending on the severity and length of the crisis there is a risk that the Company could require further funding or support. On this basis there is considered to be a material uncertainty which may cast significant doubt over the company's ability to continue as a going concern in the longer term.

2.3 Turnover

Turnover comprises rents receivable in the year and is recognised in the financial statements on the basis of rental periods to which they relate. Rents received in advance are included in creditors falling due within one year as deferred income.

2.4 Investment property

Investment property is carried at fair value determined annually by the directors, having taken professional advice from external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

A.J.Garnett Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.6 Financial instruments

Financial instruments are recognised in the Balance Sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

Subsequent measurement

Loans and receivables are measured at amortised cost, using the effective interest method. Trade debtors and trade payables are recognised at the undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the United Kingdom.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date.

A.J.Garnett Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The key estimates in use in the year relates to the valuation of investment property which underlies the carrying value of fixed assets. The Board considers valuation material prepared by a third party professional and applies its own experience of the property markets in which the Company operates. The process involves unavoidable uncertainties but the Board considers that the resulting fair value estimates are reliable.

The key judgement used since the year end relates to the impact of COVID 19 on the company's ability to continue as a going concern. Due to the simplicity of the company's accounting streams and year end financial position the directors consider there to be no other critical judgements, estimates or assumptions in the preparation of these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 5 (2018 - 5).

5. Investment property

	Freehold investment property £
Valuation	
At 1 January 2019	2,000,000
At 31 December 2019	2,000,000

The company's investment property is carried at fair value. Valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	40,764	40,764
Accumulated depreciation	(14,923)	(14,653)
	25,841	26,111

A.J.Garnett Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

6. Debtors

	2019 £	2018 £
Prepayments and accrued income	-	43
	<u>-</u>	<u>43</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Corporation tax	11,987	12,737
Accruals and deferred income	23,700	22,891
	<u>35,687</u>	<u>35,628</u>

8. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>65,492</u>	<u>57,788</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

A.J.Garnett Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

9. Deferred taxation

	2019 £
At beginning of year	(315,738)
At end of year	<u>(315,738)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Potential corporation tax at 17% should the investment property be sold at fair value.	(315,738)	(315,738)
	<u>(315,738)</u>	<u>(315,738)</u>

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
6,000 (2018 - 6,000) Ordinary shares of £1.00 each	<u>6,000</u>	<u>6,000</u>

11. Related party transactions

During the year the company paid equity dividends totalling £25,375 (2018: £24,500) to one of the directors of this company.

12. Post balance sheet events

As at the Balance Sheet date of 31 December 2019, the enacted corporation tax rate to apply from 1 April 2020 was 17%, so that rate has been applied to the deferred tax liability on the fair value of the investment property of £315,738. On 17 March 2020, the change to 17% was reversed, such that the 19% was substantively enacted to continue to apply from 1 April 2020. The impact on this change would be to increase the deferred tax liability by £37,146.