

COMPANY REGISTRATION NUMBER: 00501492

CONERVON PROPERTIES LIMITED
UNAUDITED FINANCIAL STATEMENTS
31 MARCH 2019



CONERVON PROPERTIES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

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CONERVON PROPERTIES LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2019

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was property investment in residential properties in the UK. From time to time the company undertook new developments and also the redevelopment of its existing properties. The company's business model was generally to hold its properties for the long term in order to generate rental income and capital appreciation. However, each of the company's investment properties was considered to be potentially for sale in the right circumstances. future.

The company's business activities ceased during the year.

DIRECTORS

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

Mr B S E Freshwater

Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract with the company.

The majority of the day-to-day management of the company's properties and its operations was carried out by Freshwater Property Management Limited and Highdorn Co. Limited. Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of either of these companies.

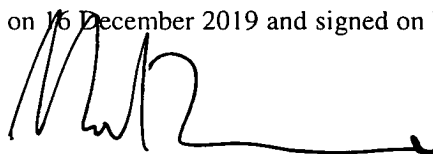
Mr BSE Freshwater and Mr D Davis are also Trustees of the parent undertaking of Freshwater Property Management Limited, but have no beneficial interest in that company.

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position of the company at the year end is set out in the attached balance sheet and explanatory notes.

The company did not pay a dividend in the year (2018: £nil). The directors do not propose a final dividend for the year (2018: £nil).

This report was approved by the board of directors on 16 December 2019 and signed on behalf of the board by:



M R M Jenner, F.C.I.S.
Company Secretary

Registered office:
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

CONERVON PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
TURNOVER	4	55	151
Cost of sales		<u>(18,311)</u>	<u>(23,904)</u>
GROSS LOSS		(18,256)	(23,753)
Administrative expenses		(3,210)	(6,948)
Net valuation gains on investment property		—	1,125
Loss on disposal of investment property		<u>(14,560)</u>	<u>—</u>
OPERATING LOSS		(36,026)	(29,576)
Interest payable	6	<u>(15)</u>	<u>—</u>
LOSS BEFORE TAXATION		(36,041)	(29,576)
Tax on loss	7	<u>240</u>	<u>(168)</u>
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>(35,801)</u>	<u>(29,744)</u>

The company's business activities ceased during the year.

The notes on pages 6 to 13 form part of these financial statements.

CONERVON PROPERTIES LIMITED

BALANCE SHEET

31 MARCH 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investment properties	8	–	1,407,750
CURRENT ASSETS			
Debtors	9	–	112,557
Cash at bank and in hand		<u>1,146,640</u>	<u>786</u>
		1,146,640	113,343
CREDITORS: amounts falling due within one year	10	<u>(241,492)</u>	<u>(341,532)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>905,148</u>	<u>(228,189)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>905,148</u>	<u>1,179,561</u>
PROVISIONS FOR LIABILITIES & CHARGES	11	–	(238,612)
NET ASSETS		<u>905,148</u>	<u>940,949</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	<u>905,048</u>	<u>940,849</u>
TOTAL EQUITY		<u>905,148</u>	<u>940,949</u>

For the year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

The balance sheet
continues on the following page.


The notes on pages 6 to 13 form part of these financial statements.

CONERVON PROPERTIES LIMITED

BALANCE SHEET *(continued)*

31 MARCH 2019

These financial statements were approved by the board of directors and authorised for issue on 16 December 2019, and are signed on behalf of the board by:


B S E Freshwater
Director

Company registration number: 00501492

The notes on pages 6 to 13 form part of these financial statements.

CONERVON PROPERTIES LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2019

	Called up share capital £	Profit and loss account £	Total £
AT 1 APRIL 2017	100	970,593	970,693
Loss for the year	—	(29,744)	(29,744)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	(29,744)	(29,744)
AT 31 MARCH 2018	100	940,849	940,949
Loss for the year	—	(35,801)	(35,801)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	(35,801)	(35,801)
AT 31 MARCH 2019	<u>100</u>	<u>905,048</u>	<u>905,148</u>

The notes on pages 6 to 13 form part of these financial statements.

CONERVON PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

Conervon Properties Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the provisions applicable to companies subject to the small companies' regime and voluntarily adopting the disclosure requirements of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention except that investment property is measured at fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 18.

Disclosure exemptions

In these financial statements, the company is considered to be a small company (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

CONERVON PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2019

3. ACCOUNTING POLICIES *(continued)*

Turnover

Turnover comprises rents and service charges receivable. Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to the first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

Property outgoings

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Lease payments under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

CONERVON PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2019

3. ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

Disposals of properties

The company generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the company's profit, and taxation applicable thereto is shown as part of the taxation charge. Disposals are recognised on the date the significant risks and rewards of ownership have been transferred and when it is probable that the economic benefits will flow to the company. In addition the company also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

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 its financial liabilities.

CONERVON PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2019

3. ACCOUNTING POLICIES *(continued)*

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Income and expenses

Interest receivable and Interest payable:

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

4. TURNOVER

Turnover arises from:

	2019	2018
	£	£
Rent receivable	<u>55</u>	<u>151</u>

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

5. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees including the directors during the year (2018: £Nil).

CONERVON PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2019

6. INTEREST PAYABLE

	2019 £	2018 £
Interest on banks loans and overdrafts	<u>15</u>	<u>–</u>

7. TAX ON LOSS

Major components of tax (income)/expense

	2019 £	2018 £
Current tax:		
UK current tax expense	238,372	–
Deferred tax:		
Origination and reversal of timing differences	<u>(238,612)</u>	168
Tax on loss	<u>(240)</u>	<u>168</u>

All tax is recognised in the profit and loss account.

Reconciliation of tax (income)/expense

The tax assessed on the loss on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Loss on ordinary activities before taxation	<u>(36,041)</u>	<u>(29,576)</u>
Loss on ordinary activities by rate of tax	(6,848)	(5,619)
Effect of expenses not deductible for tax purposes	–	633
Unutilised losses carried forward	–	5,200
Timing differences on unrealised gains	(238,612)	(46)
Difference between chargeable gains and profit on sale of investment property	265,765	–
Utilisation of losses brought forward	<u>(20,545)</u>	<u>–</u>
Tax on loss	<u>(240)</u>	<u>168</u>

CONERVON PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2019

8. INVESTMENT PROPERTIES

	Freehold property £
Fair Value	
At 1 April 2018	1,407,750
Disposals	(1,407,750)
At 31 March 2019	–
Carrying amount	
At 31 March 2019	–
At 31 March 2018	1,407,750

Investment properties held at valuation

An independent professional revaluation of the Company's property was previously carried out at 31 March 2018 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figures were based on open market value assessed in accordance with the RICS Valuation - Professional Standards (2015).

Valuation techniques and key inputs

The company's residential apartments and houses (£nil, 2018: £1.4 million) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies. Sales value assumptions were £nil per square foot (2018: £572 to £712).

Historical cost model

The historical cost of investment properties at 31 March 2019 is £nil (2018: £2,568).

9. DEBTORS

	2019 £	2018 £
Trade debtors	–	2
Other debtors	–	112,555
	<u>–</u>	<u>112,557</u>

All debtors are repayable within one year or are repayable on demand.

Other debtors include £nil (2018: £54,725) due from the estate of a former director and £nil (2018: £54,725) due from the estate of his widow. The amounts were interest-free sterling loans repayable on demand.

CONERVON PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2019

10. CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	–	228
Other creditors	<u>241,492</u>	<u>341,304</u>
	<u>241,492</u>	<u>341,532</u>

All creditors are repayable within one year or are repayable on demand.

11. PROVISIONS FOR LIABILITIES & CHARGES

	Deferred tax (note 12) £
At 1 April 2018	238,612
Credit for the year	<u>(238,612)</u>
At 31 March 2019	<u>–</u>

12. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2019	2018
	£	£
Included in provisions for liabilities & charges (note 11)	<u>–</u>	<u>238,612</u>

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

	2019	2018
	£	£
Revaluation of investment properties	<u>–</u>	<u>238,612</u>

13. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

CONERVON PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2019

15. COMMITMENTS UNDER OPERATING LEASES

As lessor

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

	2019	2018
	£	£
Not later than 1 year	–	150
Later than 1 year and not later than 5 years	–	600
Later than 5 years	–	13,226
	<u>–</u>	<u>13,976</u>

16. RELATED PARTY TRANSACTIONS

The majority of the day-to-day management of the company's property and its operations is carried out by Freshwater Property Management Limited ("FPM") and Highdorn Co. Limited ("Highdorn"). Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of either FPM or Highdorn.

Mr BSE Freshwater and Mr D Davis are also Trustees of the parent undertaking of FPM, but have no beneficial interest in that company.

In their capacity as property managing agents, FPM and Highdorn collect rents and incur direct property expenses on behalf of the company. During the year £5 (2018: £34), including VAT, was payable to FPM and £nil (2018: £900), including VAT, was payable to Highdorn for these services which were charged for at normal commercial rates.

The amount owing to FPM at 31 March 2019 for these services is £nil (2018: £644 refundable) and in the case of Highdorn it is £nil (2018: £900).

17. CONTROLLING PARTY

The company is controlled by the estate of the mother of Mr B S E Freshwater.

18. ACCOUNTING ESTIMATES AND JUDGEMENTS

i. Property valuations

The valuation of the company's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 8). Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in Note 3 above, all the company's properties are valued by external valuers with appropriate qualifications and experience.

ii. Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.