

COMPANY REGISTRATION NUMBER: 1051420

ZERLAN ESTATES LIMITED
FILLETED FINANCIAL STATEMENTS
31 MARCH 2020



COHEN ARNOLD
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

ZERLAN ESTATES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

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ZERLAN ESTATES LIMITED

BALANCE SHEET

31 MARCH 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	4	16,925,000	15,350,000
CURRENT ASSETS			
Debtors	5	1,772,707	1,507,946
Investments	6	776	776
Cash at bank and in hand		230,721	218,796
		<u>2,004,204</u>	<u>1,727,518</u>
CREDITORS: amounts falling due within one year	7	<u>683,816</u>	<u>503,520</u>
NET CURRENT ASSETS		<u>1,320,388</u>	<u>1,223,998</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,245,388	16,573,998
CREDITORS: amounts falling due after more than one year	8	633,805	695,530
PROVISIONS		<u>2,955,000</u>	<u>2,360,545</u>
NET ASSETS		<u>14,656,583</u>	<u>13,517,923</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	<u>14,656,483</u>	<u>13,517,823</u>
SHAREHOLDERS FUNDS		<u>14,656,583</u>	<u>13,517,923</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the profit and loss account has not been delivered.

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.

These financial statements were approved by the board of directors and authorised for issue on 30 November 2020, and are signed on behalf of the board by:



Mrs R Gross
Director

Company registration number: 1051420

The notes on pages 2 to 5 form part of these financial statements.

ZERLAN ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A 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 on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The outbreak of Covid-19 in the first six months of 2020 has had a negative impact on the UK economy as a whole. Uncertainty surrounding Brexit and the associated potential financial costs may also have a negative impact. These risks are beyond the control of the company and represent uncertainty to the revenue and cash flow of the company for the foreseeable future.

Notwithstanding the uncertainty, the financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the company and available sources of finance.

Turnover

Turnover represents rents receivable and charges recoverable from the tenants of the company's properties, credit for which is taken when the charge is made to the tenants.

Taxation

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 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. 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.

ZERLAN ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES *(continued)*

Tangible assets

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

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

No depreciation is provided in respect of investment property applying the fair value model.

Investment property fair value is determined by the directors based on their understanding of property market conditions and the specific property.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 25% reducing balance

In accordance with Financial Reporting Standard for Smaller Entities, no depreciation or amortisation is provided in respect of freehold investment properties nor on leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 2006, for all properties to be depreciated, is necessary, as the directors consider that this accounting policy results in the financial statements giving a true and fair view.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. TANGIBLE ASSETS

	Land and buildings £	Fixtures and fittings £	Total £
Fair value/cost			
At 1 April 2019	15,350,000	40,808	15,390,808
Additions	6,000	—	6,000
Disposals	(120,000)	—	(120,000)
Revaluations	1,689,000	—	1,689,000
At 31 March 2020	16,925,000	40,808	16,965,808
Depreciation			
At 1 April 2019 and 31 March 2020	—	40,808	40,808
Carrying amount			
At 31 March 2020	16,925,000	—	16,925,000
At 31 March 2019	15,350,000	—	15,350,000

ZERLAN ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
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4. TANGIBLE ASSETS *(continued)*

The Company's investment properties were valued independently by a FRICS qualified chartered surveyor as at 31 March 2020 on the basis of market value.

The historical cost of the land and buildings is £764,592 (2019: £840,578).

5. DEBTORS

	2020	2019
	£	£
Trade debtors	86,929	8,955
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,611,518	1,424,731
Other debtors	74,260	74,260
	<u>1,772,707</u>	<u>1,507,946</u>

6. INVESTMENTS

	2020	2019
	£	£
Other investments	776	776

Other investments relates to shares held by the company in a public company listed on the London Stock Exchange.

7. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	56,000	56,000
Trade creditors	2,702	2,705
Amounts owed to group undertakings and undertakings in which the company has a participating interest	234,510	234,510
Other creditors	390,604	210,305
	<u>683,816</u>	<u>503,520</u>

8. CREDITORS: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	633,805	695,530

Bank loans and overdrafts are secured by legal charges over certain of the company's properties.

9. CALLED UP SHARE CAPITAL

Authorised share capital

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

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NOTES TO THE FINANCIAL STATEMENTS *(continued)*
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9. CALLED UP SHARE CAPITAL *(continued)*

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10. CAPITAL AND RESERVES

The balance on the profit and loss account at 31 March 2020 includes £1,451,075 of distributable reserves and £13,222,408 of unrealised profits which are not available for distribution.

11. SUMMARY AUDIT OPINION

The auditor's report for the year dated 30 November 2020 was unqualified, however, the auditor drew attention to the following by way of emphasis.

In forming our opinion of the financial statements, which is not modified, we would draw attention to the material uncertainty of the effect of Covid-19 as reported in the Notes to the Accounts: Going concern.

The senior statutory auditor was Dov Harris FCA, for and on behalf of Cohen Arnold.

12. RELATED PARTY TRANSACTIONS

Included in charitable donations is an amount of £471,750 in respect of charitable donations to M & R Gross Charities Limited, the parent company of this company. The directors of this company are also trustees of M & R Gross Charities Limited.

Included in other debtors is an amount of £51,500 (2019: £51,500) due from entities of which the directors are also directors of this company.

Included in other creditors is an amount of £30,000 (2019: £30,000) due to entities of which the directors are also directors of this company.

These amounts are interest free and repayable on demand.

13. PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company is M & R Gross Charities Limited, a company incorporated in England and Wales.