

**COMPANY REGISTRATION NUMBER: 1241065**

**SPIRITVILLE INVESTMENTS LIMITED**  
**FILLETED FINANCIAL STATEMENTS**  
**30 JUNE 2020**



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

**SPIRITVILLE INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2020**

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**SPIRITVILLE INVESTMENTS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**THE BOARD OF DIRECTORS**

Mr Leslie Frankel  
Mrs Zisi Frankel

**COMPANY SECRETARY**

Mrs Zisi Frankel

**REGISTERED OFFICE**

New Burlington House  
1075 Finchley Road  
London  
NW11 0PU

**AUDITOR**

Cohen Arnold  
Chartered Accountants & statutory auditor  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

# SPIRITVILLE INVESTMENTS LIMITED

## BALANCE SHEET

30 JUNE 2020

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Investment properties	5	10,722,000	10,727,550
Investment	6	206,360	—
		<u>10,928,360</u>	<u>10,727,550</u>
<b>CURRENT ASSETS</b>			
Debtors	7	4,531,533	4,241,525
Cash at bank and in hand		269,187	185,351
		<u>4,800,720</u>	<u>4,426,876</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(405,011)</u>	<u>(232,812)</u>
<b>NET CURRENT ASSETS</b>		<u>4,395,709</u>	<u>4,194,064</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,324,069</u>	<u>14,921,614</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9	(5,550,245)	(5,175,995)
<b>PROVISIONS</b>		<u>(916,000)</u>	<u>(643,000)</u>
<b>NET ASSETS</b>		<u>8,857,824</u>	<u>9,102,619</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		100	100
Profit and loss account		8,857,724	9,102,519
<b>SHAREHOLDERS FUNDS</b>		<u>8,857,824</u>	<u>9,102,619</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.

The balance sheet  
continues on the following page.

The notes on pages 4 to 9 form part of these financial statements.

**SPIRITVILLE INVESTMENTS LIMITED**

**BALANCE SHEET** *(continued)*

**30 JUNE 2020**

These financial statements were approved by the board of directors and authorised for issue on **24 JUN 2021**, and are signed on behalf of the board by:



Mr Leslie Frankel  
Director

Company registration number: 1241065

The notes on pages 4 to 9 form part of these financial statements.

**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 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 under the historical cost convention except that investment property is measured at fair value.

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

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.

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 13.

**Consolidation**

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

**Turnover**

The turnover of the company is represented by rent and charges receivable in respect of properties held for investment purposes.

**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.

**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 JUNE 2020**

**3. ACCOUNTING POLICIES** *(continued)*

**Taxation** *(continued)*

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.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**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 determined by the directors based on their understanding of property market conditions and the specific property concerned. Any gain or loss arising from a change in fair value is recognised in the profit and loss account.

**Investments**

Investments in subsidiaries are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

**Acquisitions and disposals of properties**

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 JUNE 2020**

**3. ACCOUNTING POLICIES** *(continued)*

**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.

**Basic financial instruments**

**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.

**4. PARTICULARS OF EMPLOYEES**

The average number of persons employed by the company during the year, including the directors, amounted to Nil (2019: Nil).

**5. INVESTMENT PROPERTIES**

	Freehold property £	Long leasehold property £	Total £
<b>Fair value</b>			
At 1 July 2019	10,477,550	250,000	<b>10,727,550</b>
Revaluations	(82,550)	77,000	<b>(5,550)</b>
<b>At 30 June 2020</b>	<b>10,395,000</b>	<b>327,000</b>	<b>10,722,000</b>
<b>Carrying amount</b>			
At 30 June 2020	10,395,000	327,000	<b>10,722,000</b>
At 30 June 2019	10,477,550	250,000	<b>10,727,550</b>



**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 JUNE 2020**

**5. INVESTMENT PROPERTIES** *(continued)*

**Investments Properties held at valuation**

The company's investment properties are included in the Financial Statements at Directors' valuation.

The Covid-19 pandemic, together with the associated lockdown, has impacted market activity. Given these unprecedented circumstances, the directors' valuations are deemed to be materially uncertain on the basis that the assumptions upon which they are based may prove to be inaccurate. Consequently, a higher degree of caution should be attached to the valuations than would normally be the case.

**Valuation techniques and key inputs**

The company's residential apartments 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 company's commercial units were valued using the income capitalisation method, requiring the application of an appropriate market based yield to net operating income. Adjustments are made to allow for voids when less than five years are left under the current tenancy and to reflect market rent at the point of lease expiry or rent review.

**Historical cost model**

The historical cost of investment properties at 30 June 2020 is £3,095,402 (2019: £3,095,402).

**6. INVESTMENT**

	Shares in group undertaking £
<b>Cost</b>	
At 1 July 2019	—
Additions	<u>206,360</u>
<b>At 30 June 2020</b>	<u><u>206,360</u></u>
<b>Impairment</b>	
At 1 July 2019 and 30 June 2020	<u>—</u>
<b>Carrying amount</b>	
<b>At 30 June 2020</b>	<u><u>206,360</u></u>
At 30 June 2019	<u>—</u>

**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 JUNE 2020**

**7. DEBTORS**

	2020	2019
	£	£
Trade debtors	48,176	42,825
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,151,505	1,342,999
Other debtors	2,331,852	2,855,701
	<u>4,531,533</u>	<u>4,241,525</u>

Amounts owed by group undertakings include an amount of £808,504 falling due after more than one year. The loan bears interest at 8% per annum.

Included in other debtors is an amount due from Bitochon Limited of £1,200,000 (2019: £1,200,000). Mr Leslie Frankel and Mrs Zisi Frankel, directors of Bitochon Limited are also directors of this company. The loan is repayable on demand and bears interest at 8% per annum.

Other debtors also include an amount due from Maida Vale Investments Limited of £1,045,478 (2019: £1,209,199), a company in which Mr Leslie Frankel and Mrs Zisi Frankel are directors. The loan is secured on property, repayable on demand and bears interest at 7% per annum.

**8. CREDITORS: amounts falling due within one year**

	2020	2019
	£	£
Bank loans and overdrafts	149,029	140,095
Other creditors	255,982	92,717
	<u>405,011</u>	<u>232,812</u>

**9. CREDITORS: amounts falling due after more than one year**

	2020	2019
	£	£
Bank loans and overdrafts	5,050,245	5,175,995
Amounts owed to group undertakings	500,000	—
	<u>5,550,245</u>	<u>5,175,995</u>

The bank loans and overdrafts are secured by fixed charges on certain of the properties of the company.

The amount owed to group undertakings is secured by legal charges over certain of the company's investment properties which are included in the Financial Statements at a book value of £1,250,000. The loan is subject to interest at 5% per annum.

**SPIRITVILLE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 JUNE 2020**

**10. EVENTS AFTER THE END OF THE REPORTING PERIOD**

The Covid-19 pandemic is expected to severely affect the wider macro economy and the specific market the company operates in. It is possible that property valuations and rental income will both decline due to pandemic and associated lockdown. The full financial effects cannot currently be quantified.

**11. SUMMARY AUDIT OPINION**

The auditor's report for the year dated 24 JUN 2021 was unqualified, however, the auditor drew attention to the following by way of emphasis.

We draw your attention to Note 5 of the financial statements, which discloses the material uncertainty with regards to the valuation of investment properties as at the balance sheet date. Our opinion is not modified in respect of this matter.

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

**12. PARENT COMPANY AND CONTROLLING PARTY**

The company's ultimate controlling party is its immediate and ultimate parent company, Frankgiving Limited, a registered charity company incorporated and operating in England and Wales.

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up is Frankgiving Limited.

Copies of these financial statements can be obtained from the following address:

New Burlington House, 1075 Finchley Road, London, NW11 0PU.

**13. 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 6). 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.

**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.