
SUNLEY ESTATES LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2019

WEDNESDAY



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COMPANIES HOUSE

SUNLEY ESTATES LIMITED
REGISTERED NUMBER: 02266458

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	678	508
Investment property	6	20,645	20,645
		<u>21,323</u>	<u>21,153</u>
Current assets			
Stock and Work in Progress	7	510,746	609,270
Debtors: amounts falling due within one year	8	14,186,561	12,586,661
Cash at bank and in hand		6,770	44,475
		<u>14,704,077</u>	<u>13,240,406</u>
Creditors: amounts falling due within one year	9	(1,712,874)	(2,269,178)
Net current assets		<u>12,991,203</u>	<u>10,971,228</u>
Net assets		<u><u>13,012,526</u></u>	<u><u>10,992,381</u></u>
Capital and reserves			
Called up share capital		4,150,000	4,150,000
Profit and loss account		8,862,526	6,842,381
		<u><u>13,012,526</u></u>	<u><u>10,992,381</u></u>

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 on 18 November 2020.



James B Sunley
Director

SUNLEY ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Sunley Estates Limited is a private company limited by share capital incorporated in England and Wales.

The registered office and principal place of business is 20 Berkeley Square, London, W1J 6LH.

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 financial statements are presented in Sterling (£). All amounts in the financial statements have been rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue comprises management fees and property sales recognised by the company in respect of the year.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of properties

It is company policy to recognise sold properties in turnover if contracts are exchanged before the year end, providing completion takes place not more than one month after the year end. Revenue from the sale of properties is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Going concern

The financial statements for the Company have been prepared on a going concern basis. The Covid-19 pandemic represents an emerging risk for the Company. This includes potential business interruptions (including suspended or reduced operations) and reductions in asset values relating to Covid-19 and other such events outside the Company's control. As at the date of approval of these financial statements, the duration of the business interruptions and related financial impact of Covid-19 on the Company are uncertain.

After reviewing the Company's forecasts and projections, including taking account of the business impact of Covid-19, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next twelve months following approval of these financial statements. The Company has also received a letter of support from its parent company, Sunley Holdings Limited confirming their ability and willingness to provide financial support to the Company for a period of at least 12 months from the date of approval of these financial statements to assist in meeting the Company's liabilities as and when they fall due if so required. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Investment property

Investment property is carried at fair value determined annually by 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.

2.8 Stock and Work in Progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.

Judgments 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. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The directors consider the valuation of stock to be a critical estimate and judgement applicable to the financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 3 (2018 - 3).

SUNLEY ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 January 2019	3,229
Additions	583
At 31 December 2019	<u>3,812</u>
Depreciation	
At 1 January 2019	2,721
Charge for the year on owned assets	413
At 31 December 2019	<u>3,134</u>
Net book value	
At 31 December 2019	<u>678</u>
At 31 December 2018	<u>508</u>

6. Investment property

	Freehold investment property £
Valuation	
At 1 January 2019	<u>20,645</u>
At 31 December 2019	<u>20,645</u>

The 2019 valuations were made by the directors, on an open market value for existing use basis.

SUNLEY ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Stock and Work in Progress

	2019 £	2018 £
Property under development	510,746	609,270
	<u>510,746</u>	<u>609,270</u>

8. Debtors

	2019 £	2018 £
Trade debtors	-	7,000
Amounts owed by group undertakings	14,173,160	12,387,168
Other debtors	4,286	120,755
Prepayments and accrued income	8,877	7,467
Deferred taxation	238	64,271
	<u>14,186,561</u>	<u>12,586,661</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	-	203,433
Trade creditors	35,523	19,240
Amounts owed to group undertakings	1,469,104	1,469,104
Other taxation and social security	16,100	122,771
Other creditors	1,400	1,400
Accruals and deferred income	190,747	453,230
	<u>1,712,874</u>	<u>2,269,178</u>

SUNLEY ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Deferred tax

	2019 £	2018 £
At beginning of year	64,271	24,421
Charged to the profit or loss	(64,033)	39,850
At end of year	238	64,271

The deferred tax asset is made up as follows:

	2019 £	2018 £
Short term timing differences	238	-
Tax losses carried forward	-	64,271
	238	64,271

11. Related party transactions

Advantage has been taken by the company of the exemptions by Section 33.1A of FRS 102 not to disclose group transactions because it is a wholly owned subsidiary of a company preparing consolidated accounts.

12. Post balance sheet events

Since the year end, the Covid-19 pandemic has resulted in severe restrictions being imposed on business operations across all industries with a corresponding adverse impact on economic activity.

The emergence and spread of the virus took place in February and March 2020 which is why it is considered a non-adjusting event and therefore does not provide information about conditions that existed at the balance sheet date.

At the time of reporting, the financial impact on the company remains uncertain. The company will continue to closely monitor the pandemic as an increase in magnitude and duration may lead to a long term general economic downturn.

There were no other events subsequent to the reporting date and up to the date of signing that require disclosure in these financial statements.

SUNLEY ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Controlling party

The ultimate parent company is Sunley Family Limited. Sunley Family Limited is the head of the largest group of companies of which the company is a member that prepares group financial statements.

The smallest group of companies of which the company is a member, that prepares group financial statements, is headed by Sunley Holdings Limited

Both Sunley Family Limited and Sunley Holdings Limited are registered in England and Wales.

Group financial statements for both Sunley Family Limited and Sunley Holdings Limited are available to the public, from the registrar of Companies at Companies House.

The directors do not consider there to be an ultimate controlling party.

14. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 18 November 2020 by Gareth Ogden (Senior Statutory Auditor) on behalf of Haysmacintyre LLP.