

Company Registration No. 02824193 (England and Wales)

**QUORUM ESTATES LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2020**  
**PAGES FOR FILING WITH REGISTRAR**



# QUORUM ESTATES LIMITED

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# QUORUM ESTATES LIMITED

## BALANCE SHEET

AS AT 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	3	302,872		211,874	
Investment properties	4	28,338,924		27,059,991	
Investments	5	103		103	
		<u>28,641,899</u>		<u>27,271,968</u>	
<b>Current assets</b>					
Debtors	6	10,675,573		10,054,830	
Cash at bank and in hand		6,409,671		6,519,308	
		<u>17,085,244</u>		<u>16,574,138</u>	
<b>Creditors: amounts falling due within one year</b>	7	(1,765,520)		(1,460,475)	
<b>Net current assets</b>		<u>15,319,724</u>		<u>15,113,663</u>	
<b>Total assets less current liabilities</b>		<u>43,961,623</u>		<u>42,385,631</u>	
<b>Creditors: amounts falling due after more than one year</b>	8	(16,575,201)		(16,057,605)	
<b>Provisions for liabilities</b>	9	(1,482,275)		(1,040,567)	
<b>Net assets</b>		<u>25,904,147</u>		<u>25,287,459</u>	
<b>Capital and reserves</b>					
Called up share capital	11	50,002		50,002	
Capital redemption reserve		4,548,420		4,548,420	
Profit and loss reserves		21,305,725		20,689,037	
<b>Total equity</b>		<u>25,904,147</u>		<u>25,287,459</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

# **QUORUM ESTATES LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 OCTOBER 2020**

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The financial statements were approved by the board of directors and authorised for issue on 10 June 2021 and are signed on its behalf by:



J D Slater  
Director

**Company Registration No. 02824193**

# QUORUM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

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### 1 Accounting policies

#### Company information

Quorum Estates Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, No 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to incorporate the fair value of investment properties. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover represents amounts receivable from commercial lettings net of VAT.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% straight line
Fixtures, fittings & equipment	10 - 25% straight line
Motor vehicles	25 - 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be determined without undue cost or effort, investment property is accounted for as tangible fixed assets.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# QUORUM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 1 Accounting policies

(Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# QUORUM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

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### 1 Accounting policies

(Continued)

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# QUORUM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Group accounts

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	10	10

### 3 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 November 2019	327,173
Additions	186,741
Disposals	(78,838)
At 31 October 2020	435,076
<b>Depreciation and impairment</b>	
At 1 November 2019	115,299
Depreciation charged in the year	63,969
Eliminated in respect of disposals	(47,064)
At 31 October 2020	132,204
<b>Carrying amount</b>	
At 31 October 2020	302,872
At 31 October 2019	211,874



# QUORUM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 3 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Motor vehicles	143,399	79,726
Depreciation charge for the year in respect of leased assets	28,818	11,972

### 4 Investment property

	2020 £
<b>Fair value</b>	
At 1 November 2019	27,059,991
Additions	648,389
Disposals	(634,790)
Revaluations	1,308,130
Other changes	(42,796)
At 31 October 2020	28,338,924

The fair value of the investment property has been arrived at on the basis of a valuation carried out in March 2020 by Cushman and Wakefield, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors believe this valuation accurately represents the open market value of the company's investment property as at 31 October 2020.

### 5 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	103	103

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 November 2019 & 31 October 2020	103
<b>Carrying amount</b>	
At 31 October 2020	103
At 31 October 2019	103

# QUORUM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 6 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	44,685	86,844
Corporation tax recoverable	-	73,902
Amounts owed by group undertakings	10,134,115	8,706,111
Other debtors	315,619	1,122,108
Prepayments and accrued income	181,154	65,865
	<u>10,675,573</u>	<u>10,054,830</u>

Prepayments and accrued income include amounts due after one year of £105,188 (2019: £nil).

### 7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Obligations under finance leases	24,698	7,196
Trade creditors	66,431	79,088
Corporation tax	1,196	-
Other taxation and social security	127,543	116,752
Other creditors	1,108,563	837,183
Accruals and deferred income	437,089	420,256
	<u>1,765,520</u>	<u>1,460,475</u>

### 8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	16,500,000	16,000,000
Obligations under finance leases	75,201	57,605
	<u>16,575,201</u>	<u>16,057,605</u>

The bank loans and obligations under finance leases due in less than and greater than one year are secured against the assets of the company.

### 9 Provisions for liabilities

	2020	2019
	£	£
Deferred tax liabilities	<u>1,482,275</u>	<u>1,040,567</u>

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# QUORUM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated capital allowances	178,702	126,532
Revaluations	1,303,573	914,035
	<u>1,482,275</u>	<u>1,040,567</u>
		<b>2020</b>
<b>Movements in the year:</b>		<b>£</b>
Liability at 1 November 2019		1,040,567
Charge to profit or loss		441,708
		<u>1,482,275</u>
Liability at 31 October 2020		<u>1,482,275</u>

### 11 Called up share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
32,447 Ordinary shares of £1 each	32,447	32,447
5,530 Ordinary A shares of £1 each	5,530	5,530
641 Ordinary B shares of £1 each	641	641
5,854 Ordinary C shares of £1 each	5,854	5,854
5,530 Ordinary D shares of £1 each	5,530	5,530
	<u>50,002</u>	<u>50,002</u>

All classes of share rank pari passu in all respects.

### 12 Profit and loss reserves

The profit and loss account includes all realised current and prior period retained profits and losses, as well as all unrealised gains and losses in respect to investment property fair value adjustments. At the year end date the profit and loss reserves include non-distributable unrealised reserves totalling £5,557,339 (2019 - £4,462,643).

# QUORUM ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 13 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020 £	2019 £
Total commitments	<u>15,321</u>	<u>2,515</u>

### 14 Related party transactions

J D Slater was paid interest of £54,070 (2019 - £28,966) in respect of his loan account with the company. Interest has been calculated at 7%. At the year end the balance due to J D Slater was £883,913 (2019 - £587,815).

At the year end, the balance due to P M Wardle was £2,224 (2019 - £nil). No interest was charged on this amount.

During the year the company undertook transactions with companies which are deemed related by virtue of common directorships and shareholdings.

During the year the company incurred expenses totalling £193,315 (2019 - £619,191) which were subsequently recharged in full to these related parties. During the year the company also received management income totalling £272,280 (2019 - £nil) from these related parties. The company paid management charges of £nil (2019 - £37,850) to related party entities.

During the year, the company sold an investment property to Quorum Estates Pension Fund at market value, generating a loss on disposal of £1,632.

At the year end total net debtors due from these related parties amounted to £10,134,115 (2019 - £8,706,111).