

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED
UNAUDITED FINANCIAL STATEMENTS
PAGES FOR FILING WITH REGISTRAR
FOR THE YEAR ENDED 30 SEPTEMBER 2019

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED**BALANCE SHEET****AS AT 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	16,398	31,519
Investment property	6	10,310,617	10,197,265
		<u>10,327,015</u>	<u>10,228,784</u>
Current assets			
Debtors: amounts falling due within one year	7	178,719	110,768
Cash at bank and in hand		76,285	305,835
		<u>255,004</u>	<u>416,603</u>
Creditors: amounts falling due within one year	8	(155,117)	(409,149)
Net current assets		<u>99,887</u>	<u>7,454</u>
Total assets less current liabilities		<u>10,426,902</u>	<u>10,236,238</u>
Creditors: amounts falling due after more than one year	9	(2,128,202)	(1,926,433)
Provisions for liabilities			
Deferred tax	11	(1,017,681)	(1,137,408)
Net assets		<u><u>7,281,019</u></u>	<u><u>7,172,397</u></u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Other reserves		6,240,083	6,120,356
Profit and loss account		1,039,936	1,051,041
Net assets		<u><u>7,281,019</u></u>	<u><u>7,172,397</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 profit and loss account 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 by:

.....
Mr R A H Townley

Director

Date: 5 February 2020

The notes on pages 4 to 13 form part of these financial statements.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2017	1,000	6,110,684	1,062,082	7,173,766
Profit for the year	-	-	45,641	45,641
Dividends: Equity capital	-	-	(47,010)	(47,010)
Transfer to/from profit and loss account	-	9,672	(9,672)	-
At 1 October 2018	1,000	6,120,356	1,051,041	7,172,397
Profit for the year	-	-	135,331	135,331
Dividends: Equity capital	-	-	(26,709)	(26,709)
Transfer to/from profit and loss account	-	119,727	(119,727)	-
At 30 September 2019	1,000	6,240,083	1,039,936	7,281,019

The notes on pages 4 to 13 form part of these financial statements.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

North Square Properties (Loughborough) Limited is a private Company limited by shares and registered in England and Wales. The Company's registered number is 02843695 and the Company's registered office is 1st Floor, 7 - 10 Chandos Street, London, W1G 9DQ.

The financial statements are presented in Sterling (£).

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 following principal accounting policies have been applied:

2.2 Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 Rental income

Revenue comprises rental income, service charges and other recoveries from tenants of the Company's investment property, net of value added tax. Rental income is recognised on an accruals basis in the period in which it is earned, in accordance with the terms of the lease.

Lease incentives, where applicable, are recognised as an integral part of total rental income and are therefore accounted for as a reduction of rental income over the term of the lease.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

Depreciation is provided on the following basis:

Fixtures and fittings	-
	5 years straight line
Computer equipment	-
	5 years straight line

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 Profit and Loss Account.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.10 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 Profit and Loss Account.

2.11 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.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.13 Financial instruments

The Company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

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.

The Company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

Financial assets 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 profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2018 - 4).

4. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	3,012	12,040
Deferred tax		
Origination and reversal of timing differences	(119,727)	(9,672)
Taxation on (loss)/profit on ordinary activities	<u>(116,715)</u>	<u>2,368</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2018 - 19%).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 October 2018	78,796	-	78,796
Additions	-	766	766
At 30 September 2019	78,796	766	79,562
Depreciation			
At 1 October 2018	47,277	-	47,277
Charge for the year on owned assets	15,759	128	15,887
At 30 September 2019	63,036	128	63,164
Net book value			
At 30 September 2019	15,760	638	16,398
At 30 September 2018	31,519	-	31,519

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

6. Investment property

	Freehold investment property £
Valuation	
At 1 October 2018	10,197,265
Additions at cost	113,352
At 30 September 2019	10,310,617

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

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	<u>3,052,852</u>	<u>2,939,500</u>

7. Debtors

	2019 £	2018 £
Trade debtors	36,000	-
Other debtors	45,711	24,693
Prepayments and accrued income	97,008	86,075
	<u>178,719</u>	<u>110,768</u>

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	46,488	44,746
Trade creditors	11,064	9,274
Corporation tax	3,012	12,040
Other taxation and social security	1,622	13,402
Other creditors	16,472	258,955
Accruals and deferred income	76,459	70,732
	<u>155,117</u>	<u>409,149</u>

9. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	<u>2,128,202</u>	<u>1,926,433</u>

10. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	46,488	44,746
Amounts falling due 2-5 years		
Bank loans	1,685,954	1,428,983
Amounts falling due after more than 5 years		
Bank loans	442,248	497,450
	<u>2,174,690</u>	<u>1,971,179</u>

Bank loans of £2,174,690 (2018 - £1,971,179) are secured against the assets of the Company.

NORTH SQUARE PROPERTIES (LOUGHBOROUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. Deferred taxation

	2019 £	2018 £
At beginning of year	(1,137,408)	(1,147,080)
Charged to profit or loss	119,727	9,672
At end of year	(1,017,681)	(1,137,408)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Deferred tax on fair value movements on investment property	<u>(1,017,681)</u>	<u>(1,137,408)</u>

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,000 (2018 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £712 (2018 - £Nil). Contributions totalling £276 (2018 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.