

CES (EUSTON ROAD) LIMITED
Unaudited Financial Statements
For the financial year ended 31 March 2022
Pages for filing with the registrar

CES (EUSTON ROAD) LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

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CES (EUSTON ROAD) LIMITED
COMPANY INFORMATION
For the financial year ended 31 March 2022

DIRECTORS

R S Frischmann

J E Frischmann

J K Fowler

SECRETARY

J K Fowler

REGISTERED OFFICE

5 Manchester Square

London

W1U 3PD

United Kingdom

COMPANY NUMBER

04042519 (England and Wales)

CHARTERED ACCOUNTANTS

Berg Kaprow Lewis LLP

35 Ballards Lane

London

N3 1XW

CES (EUSTON ROAD) LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Note	2022	2021
		£	£
Fixed assets			
Investment property	3	6,012,921	6,012,921
Investments	4	2	2
		6,012,923	6,012,923
Current assets			
Debtors	5	2,021,372	1,177,275
Cash at bank and in hand	6	99	1
		2,021,471	1,177,276
Creditors			
Amounts falling due within one year	7	(2,946,855)	(2,865,468)
Net current liabilities		(925,384)	(1,688,192)
Total assets less current liabilities		5,087,539	4,324,731
Creditors			
Amounts falling due after more than one year	8	(5,001,074)	(4,871,676)
Net assets/(liabilities)		86,465	(546,945)
Capital and reserves			
Called-up share capital	9	2	2
Profit and loss account		86,463	(546,947)
Total shareholder's funds/(deficit)		86,465	(546,945)

CES (EUSTON ROAD) LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 March 2022

For the financial year ending 31 March 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The member has not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Statement of Income and Retained Earnings has not been delivered.

The financial statements of CES (Euston Road) Limited (registered number: 04042519) were approved and authorised for issue by the Board of Directors. They were signed on its behalf by:

J K Fowler
Director

23 December 2022

CES (EUSTON ROAD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

CES Properties (Euston Road) Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 5 Manchester Square, London, W1U 3PD, United Kingdom.

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will be able to meet its debts as they fall due.

At the Statement of Financial Position date, the Company had net current liabilities, and included within creditors due within one year are amounts owed to a director of £2,250,111.

The directors have confirmed that the Company will receive continuing ongoing support from its group companies and the director loan won't be recalled until such time that the Company can afford to do so. In addition, they are confident that the Company has sufficient access to working capital and future profit generation to support the business in the foreseeable future, and accordingly, consider it appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover represents rent and service charges receivable exclusive of Value Added Tax.

Revenue in respect of rent is recognised over the period of the lease.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so 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.

CES (EUSTON ROAD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Leases

The Company as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Investment property

Investment properties are included in the Statement of Financial Position at historic cost.

This treatment is contrary to the requirements of the Financial Reporting Standard 102 Section 1A, which requires investment properties to be measured at fair value and for the gain or loss to go through the Statement of Income and Retained Earnings. In addition, no deferred tax has been recognised on any fair value gains arising on the investment properties. In the opinion of the directors, revaluation of the investment properties is not practicable.

Further, this is contrary to the Companies Act 2006, which states that fixed assets should be depreciated. In the opinion of the directors, this departure from the Act is necessary in order to give a true and fair view of the financial position of the Company.

Fixed asset investments

Investments held as fixed assets are shown at cost less provision for impairment.

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 creditors: amounts falling due within one year.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and loans to and from related parties.

CES (EUSTON ROAD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and loans to related parties, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in Statement of Income and Retained Earnings.

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) 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.

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) 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.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	3	3

CES (EUSTON ROAD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

3. Investment property

	Investment property
	£
Cost	
As at 01 April 2021	6,012,921
As at 31 March 2022	6,012,921

Investment properties are stated at historic cost and have not, as required by the Financial Reporting Standard 102 Section 1A, been valued at fair value at the Statement of Financial Position date. In the opinion of the directors, the investment property has a market value in excess of the amount at which it is included in the financial statements, but do not feel that the cost of a professional valuation is justified, and do not feel able to arrive at an accurate valuation.

4. Fixed asset investments

	2022	2021
	£	£
Subsidiary undertakings	2	2

Investments in shares

Name of entity	Registered office	Nature of business	Class of shares	Ownership 31.03.2022	Ownership 31.03.2021
Euston Road (Underlease) Ltd	4 Manchester Square, London, W1U 3PD	Dormant company	Ordinary	100.00%	100.00%

The capital and reserves and the profit of the subsidiary undertaking was as follows:

	Capital and reserves at 2022	Profit for the year ended 2022
	£	£
Euston Road (Underlease) Ltd	1	0

5. Debtors

	2022	2021
	£	£
Trade debtors	703	334,789
Amounts owed by Group undertakings	1,916,891	740,309
Prepayments	103,778	102,177
	2,021,372	1,177,275

CES (EUSTON ROAD) LIMITED
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6. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	99	1

7. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	68,319	83,811
Accruals and deferred income	503,213	421,057
Other taxation and social security	158	158
Other creditors	2,375,165	2,360,442
	2,946,855	2,865,468

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

	2022	2021
	£	£
Other loans (secured)	5,001,074	4,871,676

Amounts repayable after more than 5 years are included in creditors falling due over one year:

	2022	2021
	£	£
Other loans	5,001,074	4,871,676

9. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully-paid		
2 Ordinary shares of £ 1.00 each	2	2

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10. Financial commitments

Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
- within one year	224,178	205,890
- between one and five years	672,534	617,670
	896,712	823,560

The rent agreement runs until 22 April 2100 and is reviewed every five years.

11. Related party transactions

Included within other creditors due within one year is a balance of £2,250,111 (2021: £2,250,111) owed to a director. This balance is unsecured and interest free, with no fixed repayment terms.

Included within other creditors due in more than one year is a loan of £5,001,074 (2021: £4,871,676) owed to a company with shared directors. This balance is unsecured, interest charged at 500 basis points above the 3 month Libor, and there are no fixed repayment terms.

12. Ultimate controlling party

The ultimate parent undertaking is Sandor Holdings Limited, a company incorporated in England and Wales.

There is no ultimate controlling party.

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.