

COMPANY REGISTRATION NUMBER: 04592197

CLOUDPRESS LIMITED
FILLETED FINANCIAL STATEMENTS
31 DECEMBER 2019



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

CLOUDPRESS LIMITED

BALANCE SHEET

31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investment properties	5	290,000	330,000
CURRENT ASSETS			
Debtors	6	2,158,619	2,092,207
Cash at bank and in hand		883	46
		<u>2,159,502</u>	<u>2,092,253</u>
CREDITORS: amounts falling due within one year	7	<u>(1,783,794)</u>	<u>(1,879,793)</u>
NET CURRENT ASSETS		<u>375,708</u>	<u>212,460</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>665,708</u>	<u>542,460</u>
PROVISIONS FOR LIABILITIES AND CHARGES	8	<u>(9,996)</u>	<u>(18,476)</u>
NET ASSETS		<u>655,712</u>	<u>523,984</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account	10	<u>655,612</u>	<u>523,884</u>
SHAREHOLDERS FUNDS		<u>655,712</u>	<u>523,984</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.

These financial statements were approved by the board of directors and authorised for issue on 01/01/2020, and are signed on behalf of the board by:

C Kaufman
Director



Company registration number: 04592197

The notes on pages 2 to 9 form part of these financial statements.

CLOUDPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Cloudpress Limited (the "company") is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU. The presentation currency of these financial statements is sterling.

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 outbreak of the Covid-19 pandemic in the first six months of 2020 and the associated lockdown has had a negative impact on the macro economy and the particular market that the company operates in. The directors have placed a particular focus on the company's going concern assessment and have considered the principal risks to the company. This assessment has considered the various probable outcomes of the pandemic on the company's operations and its future financial performance over the next twelve months, including a decline in revenues, an increase in impairments and a reduction in property values. Uncertainty surrounding Brexit and the associated potential financial costs may also have a negative impact. These risks are beyond the control of the company and represent uncertainty to the revenue and cash flow of the company for the foreseeable future.

Notwithstanding these uncertainties, the directors have concluded that it is appropriate for the financial statements to be 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 and commitments as they fall due.

In reaching their conclusion, the directors have considered the following:

- the continued provision of financial support by the company's fellow subsidiary undertaking, who has confirmed that a demand for payment will not be issued if it is detrimental to the company's ability to continue as a going concern.
- The company's loan facilities are not falling due for repayment within the next 12 months.
- The company continues to meet its banking covenants.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

CLOUDPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

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 below:

i. Property valuations

The company's property portfolio is valued by an external valuer with appropriate qualifications and experience. The valuations of the company's properties are 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. 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.

Turnover

Turnover comprises rents and service charges receivable. Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to the first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

Property outgoings

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Lease payments under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease.

Income and expenses

Interest receivable and interest payable:

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Interest payable and similar charges include interest payable on intercompany loans and late payment charges.

CLOUDPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the period, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

CLOUDPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

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 based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

Acquisitions and disposals of properties

The company generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the company's profit on ordinary activities, and taxation applicable thereto is shown as part of the taxation charge.

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

CLOUDPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

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 entity after deducting all its financial liabilities.

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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.

Related party transactions

The company has taken advantage of the exemptions in FRS102 in order to dispense with the requirements to disclose transactions with other companies in The Shlomo Memorial Fund Limited group.

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to the directors during the year (2018: £nil).

CLOUDPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

5. INVESTMENT PROPERTIES

	Freehold property £	Long leasehold property £	Total £
Fair value			
At 1 January 2019	230,000	100,000	330,000
Additions	–	178,845	178,845
Disposals	–	(218,845)	(218,845)
At 31 December 2019	<u>230,000</u>	<u>60,000</u>	<u>290,000</u>
Carrying amount			
At 31 December 2019	<u>230,000</u>	<u>60,000</u>	<u>290,000</u>
At 31 December 2018	<u>230,000</u>	<u>100,000</u>	<u>330,000</u>

Investment properties held at valuation

An independent professional valuation of the company's investment properties was carried out at 31 December 2019 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with the RICS Valuation Standards - Red Book Global.

The valuer's opinion of market value was derived using recent comparable market transaction at arm's length, subject to the existing tenancies or with full vacant possession.

Historical cost model

The historical cost of investment property at 31 December 2019 is £228,225 (2018: £291,956).

6. DEBTORS

	2019 £	2018 £
Trade debtors	194,537	331,975
Amounts owed by group undertakings	1,746,716	1,449,726
Other debtors	217,366	310,506
	<u>2,158,619</u>	<u>2,092,207</u>

Amounts owed by group undertakings are interest-free loans repayable on demand.

7. CREDITORS: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	1,766,794	1,856,793
Other creditors	17,000	23,000
	<u>1,783,794</u>	<u>1,879,793</u>

Amounts owed to group undertakings are interest-free loans repayable on demand.

CLOUDPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

8. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax (note 9) £
At 1 January 2019	18,476
Movement in the year	<u>(8,480)</u>
At 31 December 2019	<u>9,996</u>

Deferred tax is recognised in respect of timing differences from the revaluation of investment property. Although the provision has been recognised in accordance with FRS 102, it is expected that the majority of the gain on a disposal would be gifted for charitable purposes and such tax should not become payable.

9. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2019 £	2018 £
Included in provisions for liabilities and charges (note 8)	<u>9,996</u>	<u>18,476</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Revaluation of investment properties	<u>9,996</u>	<u>18,476</u>

10. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

11. OPERATING LEASES

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

	2019 £	2018 £
Not later than 1 year	21,500	21,500
Later than 1 year and not later than 5 years	86,000	86,000
Later than 5 years	<u>1,892,667</u>	<u>1,914,166</u>
	<u>2,000,167</u>	<u>2,021,666</u>

12. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 11 March 2020, the World Health Organization declared Covid-19 a pandemic. 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 the pandemic and associated lockdown. The full impact on the financial statements cannot currently be quantified.

CLOUDPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

13. SUMMARY AUDIT OPINION

The auditor's report for the year dated 01/10/2020 was unqualified.

The senior statutory auditor was Joshua Neumann, for and on behalf of Cohen Arnold.

14. PARENT COMPANY AND CONTROLLING PARTY

The company is controlled by its immediate parent undertaking, Olnato Limited, a company incorporated in England and Wales. Olnato Limited is controlled by its parent undertaking, The Shlomo Memorial Fund Limited, a company registered in England and Wales and incorporated for charitable purposes. The Shlomo Memorial Fund Limited has no controlling party.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up is The Shlomo Memorial Fund Limited. Copies of the financial statements of The Shlomo Memorial Fund Limited can be obtained from its registered office at New Burlington House, 1075 Finchley Road, London NW11 0PU.