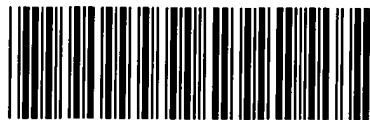


CHARLFORD LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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CHARLFORD LTD

COMPANY INFORMATION

Directors	B Ackerman N Ackerman
Registered number	04830490
Registered office	113 Brent Street London NW4 2DX
Independent auditors	Wilder Coe Ltd Chartered Accountants and Statutory Auditors 1st Floor Sackville House 143-149 Fenchurch Street London EC3M 6BL

CHARLFORD LTD

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CHARLFORD LTD
REGISTERED NUMBER: 04830490

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investment properties	4	75,753,652	78,063,234
Investments	5	1	1
		<u>75,753,653</u>	<u>78,063,235</u>
Current assets			
Debtors	6	6,123,700	5,404,198
Cash at bank and in hand		1,319,517	1,741,812
		<u>7,443,217</u>	<u>7,146,010</u>
Creditors: amounts falling due within one year	7	(29,152,394)	(29,906,414)
Net current liabilities		<u>(21,709,177)</u>	<u>(22,760,404)</u>
Total assets less current liabilities		<u>54,044,476</u>	<u>55,302,831</u>
Creditors: amounts falling due after more than one year	8	(46,645,006)	(47,191,405)
Provisions for liabilities	9	(4,952,193)	(5,349,295)
Net assets		<u><u>2,447,277</u></u>	<u><u>2,762,131</u></u>
Capital and reserves			
Allotted, called up and fully paid share capital		4	4
Share premium account		4,263	4,263
Profit and loss account	10	2,443,010	2,757,864
Total equity		<u><u>2,447,277</u></u>	<u><u>2,762,131</u></u>

CHARLFORD LTD
REGISTERED NUMBER: 04830490

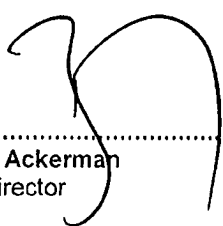
BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The 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 the provisions of FRS 102 Section 1A - small entities.

The Company has opted not to file the Directors' Report and the Profit and Loss Account in accordance with the provisions applicable to companies subject to the Small Companies' Regime, under section 444 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

6th July 2020.


.....
B Ackerman
Director

The notes on pages 3 to 8 form part of these financial statements.

CHARLFORD LTD

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

1. Company information

Charlford Ltd (Company number: 04830490) is a private company limited by shares, incorporated in England and Wales. The registered office is 113 Brent Street, London, NW4 2DX. The trading address is the same as the registered office.

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 prepared in GBP sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £ (GBP).

The Company has taken advantage of the exemption in Financial Reporting Standard 102, section 1A.7 from the requirement to produce a Statement of Cash Flows on the grounds that it is a small company.

The Company has taken advantage of the exemption in Financial Reporting Standard 102, Section 33.1A not to disclose transactions with group entities which are wholly owned by a member of the group.

The following principal accounting policies have been applied:

2.2 Post-Balance Sheet events

The directors have considered the impact of the coronavirus pandemic on the Company. The Company's lender has agreed to waive the debt service cover covenant until the fourth quarter of 2020. It is too early to judge the medium and long-term effects of the Covid-19 pandemic on the UK real estate market generally, and on the Company in particular. The ultimate parent company has sufficient cash reserves available to ensure that the Company meets its anticipated financial commitments for the next year, in the event that the Company has a shortfall on rent collection. The directors consider it is appropriate to prepare the financial statements on the going concern basis.

2.3 Turnover

Turnover comprises rental and other property related income exclusive of Value Added Tax.

Turnover in respect of rental income, lease premiums, insurance and other recharges of property related expenditure is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding Value Added Tax.

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.5 Investment properties

Investment properties are carried at fair value determined annually by the directors on the basis of open market values for its current use. No depreciation is provided in relation to investment properties. Changes to fair value are recognised in the Statement of Income and Retained Earnings.

CHARLFORD LTD

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

2. Accounting policies (continued)

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 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 rate 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price.

Short-term creditors are measured at cost/ transaction price and not amortised.

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

CHARLFORD LTD

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

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

The current corporation tax charge 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 and laws that have been enacted or substantively enacted by the Balance Sheet date.

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 is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2018 - 2).

CHARLFORD LTD

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

4. Investment properties

	Freehold property £	Long leasehold property £	Total £
Fair value			
At 1 January 2019	76,173,234	1,890,000	78,063,234
Capital expenditure	21,927	-	21,927
Revaluations	(2,331,509)	-	(2,331,509)
At 31 December 2019	<u>73,863,652</u>	<u>1,890,000</u>	<u>75,753,652</u>

The fair value of investment property has been determined with reference to independent red book valuations and to valuations performed by one of the Company directors who is a chartered surveyor.

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019 and 31 December 2019	<u>1</u>

6. Debtors

	2019 £	2018 £
Amounts falling due within one year		
Trade debtors	181,325	90,649
Amounts owed by group undertakings	4,694,898	4,836,013
Other debtors	1,146,632	396,725
Prepayments and accrued income	100,845	80,811
	<u>6,123,700</u>	<u>5,404,198</u>

CHARLFORD LTD

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

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Loans (secured - see note 8)	546,399	525,830
Trade creditors	49,272	56,904
Amounts owed to group undertakings	26,804,121	27,806,152
Other creditors	693,750	435,346
Accruals and deferred income	1,048,490	1,082,182
Corporation tax	10,362	-
	<u>29,152,394</u>	<u>29,906,414</u>

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

	2019 £	2018 £
Loans (secured - see below)	<u>46,645,006</u>	<u>47,191,405</u>

The loan is secured by way of a fixed charge over the properties to which it relates. The loan is also secured by a charge over the property owned by subsidiary company, Charlford NO 2 Limited, £480,000 of cash held in blocked deposit account and subordination of loan payable to the parent company.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2019 £	2018 £
Repayable by instalments	162,324	810,747
Repayable other than by instalments	44,044,461	44,044,461
	<u>44,206,785</u>	<u>44,855,208</u>

CHARLFORD LTD

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

9. Deferred taxation

	2019 £	2018 £
At beginning of year	5,349,295	29,767
(Credited)/charged to profit and loss	(397,102)	5,319,528
At end of year	<u>4,952,193</u>	<u>5,349,295</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Revaluation of investment property	<u>4,952,193</u>	<u>5,349,295</u>

The amount of the net reversal of deferred tax expected to occur next year is dependent on any future fair value movements on investment properties.

10. Reserves

Profit & loss reserve

As at 31 December 2019 there were distributable reserves of £167,355 (2018: £2,595,490). The non-distributable component as at 31 December 2019 was £2,275,655 (2018: £162,374).

11. Parent company

The immediate parent undertaking is Bana One L3 Limited, a company registered in England and Wales.

The ultimate parent undertaking is Bana One Limited, a company registered in England and Wales.

Bana One Limited prepares group financial statements and copies can be obtained from 113 Brent Street, London, NW4 2DX.

12. Auditors' Information

The company was subject to an audit for the year ended 31 December 2019. The audit report issued by Mark Saunders BA FCA, as Senior Statutory Auditor of Wilder Coe Ltd, was issued with an unqualified opinion.