

Company Registration No. 05114201 (England and Wales)

# **DOWNTOWN LIVING LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2018**

**PAGES FOR FILING WITH REGISTRAR**

# **DOWNTOWN LIVING LIMITED**

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# DOWNTOWN LIVING LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
<b>Current assets</b>					
Stocks		4,308,041		4,308,041	
Debtors	3	13,298		12,398	
Cash at bank and in hand		80,945		56,097	
		<u>4,402,284</u>		<u>4,376,536</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(18,722)</u>		<u>(28,827)</u>	
<b>Net current assets</b>			4,383,562		4,347,709
<b>Creditors: amounts falling due after more than one year</b>	5		(1,830,000)		(1,830,000)
<b>Net assets</b>			<u>2,553,562</u>		<u>2,517,709</u>
<b>Capital and reserves</b>					
Called up share capital	6		5,220		5,220
Share premium account			2,395,680		2,395,680
Profit and loss reserves			<u>152,662</u>		<u>116,809</u>
<b>Total equity</b>			<u>2,553,562</u>		<u>2,517,709</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 30 April 2018 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.

**DOWNTOWN LIVING LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 30 APRIL 2018**

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The financial statements were approved by the board of directors and authorised for issue on 22 January 2019 and are signed on its behalf by:

**Mr S J Whittle**  
**Director**

**Company Registration No. 05114201**

## **DOWNTOWN LIVING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 30 APRIL 2018**

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#### **1 Accounting policies**

##### **Company information**

Downtown Living Limited is a private company limited by shares incorporated in England and Wales. The registered office is Richard House, 9 Winckley Square, Preston, PR1 3HP.

##### **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. The principal accounting policies adopted are set out below.

##### **1.2 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

The Board has continued to closely monitor the opportunity for selling stock/apartments it owns in The Room. Unfortunately, the Preston property market still remains depressed, with indicative valuations (RICS) below build costs.

The Board has also had talks with two Residential Property Investment Funds with a view to selling the entire stock/company. However, whilst occupancy and rental income remains attractive, the depressed unit valuations resulted in no basis for further discussion.

The Board are determined to continue monitoring the market and wait for valuations of break-even or better, before looking to sell any of the stock.

##### **1.3 Cash at bank and in hand**

Cash at bank and in hand 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.

##### **1.4 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

## DOWNTOWN LIVING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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#### 1 Accounting policies

(Continued)

##### **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.

#### 1.5 Equity instruments

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

#### 1.6 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.

## DOWNTOWN LIVING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

#### 1 Accounting policies

(Continued)

##### **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.

##### **1.7 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.

##### **1.8 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2017 - 0).

#### 3 Debtors

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	2,150	1,250
	<u>          </u>	<u>          </u>
	2018	2017
	£	£
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	11,148	11,148
	<u>          </u>	<u>          </u>
<b>Total debtors</b>	<u>13,298</u>	<u>12,398</u>

# **DOWNTOWN LIVING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2018**

### **4 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Taxation and social security	8,787	13,240
Accruals and deferred income	9,935	15,587
	<u>18,722</u>	<u>28,827</u>

### **5 Creditors: amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,830,000	1,830,000
	<u>1,830,000</u>	<u>1,830,000</u>

Bank loans of £1,830,000 (2017: £1,830,000) are secured by way of a fixed and floating charge over the assets of the company.

### **6 Called up share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
5,220 Ordinary A of £1 each	5,220	5,220
	<u>5,220</u>	<u>5,220</u>

### **7 Related party transactions**

#### **Transactions with related parties**

During the year the company entered into the following transactions with related parties:

	<b>Interest payable</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Entities with control, joint control or significant influence over the company	-	90,743
	<u>-</u>	<u>90,743</u>



**DOWNTOWN LIVING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2018****7 Related party transactions****(Continued)**

The following amounts were outstanding at the reporting end date:

	<b>2018</b>	<b>2017</b>
<b>Amounts owed to related parties</b>	<b>£</b>	<b>£</b>
Entities with control, joint control or significant influence over the company	-	5,701
	<u>          </u>	<u>          </u>

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.