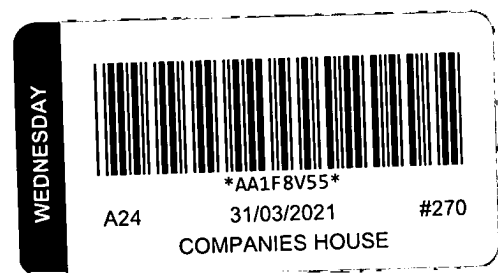


Company Registration No. 06739917 (England and Wales)

**WATERMELON INVESTMENTS PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**



# **WATERMELON INVESTMENTS PLC**

## **COMPANY INFORMATION**

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**Directors** Mr A M O'Connor  
Ms S L Jones

**Company number** 06739917

**Registered office** Kemp House  
152-160 City Road  
London  
EC1V 2NX

**Auditor** Alwyns LLP  
Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

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# **WATERMELON INVESTMENTS PLC**

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# **WATERMELON INVESTMENTS PLC**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 JUNE 2020***

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The directors present the strategic report for the year ended 30 June 2020.

### **Fair review of business and developments**

During the year the group continued in its preparatory work in order to make investments in freeholds producing ground rent income and the provision of associated services. This involved both looking for suitable finance and investment opportunities. Regulatory changes to the legal structure for freehold ground rents continued to be publicly debated which has meant that the groups strategy has been under review to take advantage of these potential changes, which has caused a delay in the implementation of its strategy.

The directors continue to adopt a cautious approach to the market which is delaying the sourcing of finance and deployment of investment funds.

The group is using a new internet based platform to source prospective investments and the initial results appear to be promising and the directors are confident in looking to finalise transactions in the next few months.

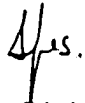
### **Principal risks and uncertainties**

The directors believe the major risk and uncertainty continues to be the evolving regulatory landscape and unavailability of appropriate finance in order to fund the proposed investment in freeholds.

### **Key performance indicators**

Given the activity of the group during the year there were no specific relevant key performance indicators.

On behalf of the board



Ms S L Jones

**Director**

30 March 2021

# **WATERMELON INVESTMENTS PLC**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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The directors present their annual report and financial statements for the year ended 30 June 2020.

### **Principal activities**

The intention of the group remains the investment in freehold ground rents and to provide ancillary services.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R K Allen	(Resigned 18 June 2020)
Mr A M O'Connor	
Ms S L Jones	(Appointed 18 June 2020)

### **Results and dividends**

The results for the year are set out on page 7.

No interim dividends were paid. The directors do not recommend payment of a final dividend.

### **Financial instruments**

There are no material risks to the group's use of financial instruments.

### **Auditor**

Alwyns LLP continued to act as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Ms S L Jones

**Director**

30 March 2021

# **WATERMELON INVESTMENTS PLC**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **WATERMELON INVESTMENTS PLC**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF WATERMELON INVESTMENTS PLC**

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#### **Opinion**

We have audited the financial statements of Watermelon Investments Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter - going concern**

We draw attention to note 1 of the financial statements, which describes that the directors have confirmed that they will continue to provide sufficient funding for the group to meet the payment obligations as they fall due and will look to provide this funding for at least the next twelve months. Our opinion is not modified in this respect.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **WATERMELON INVESTMENTS PLC**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF WATERMELON INVESTMENTS PLC**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **WATERMELON INVESTMENTS PLC**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WATERMELON INVESTMENTS PLC**

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### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**David Stanley (Senior Statutory Auditor)  
for and on behalf of Alwyns LLP**

30 March 2021

**Chartered Accountants  
Statutory Auditor**

Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

# **WATERMELON INVESTMENTS PLC**

## **GROUP STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2020**

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		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Administrative expenses		(60,434)	(36,436)
Tax on loss	<b>6</b>	-	-
<b>Loss for the financial year</b>		<u>(60,434)</u>	<u>(36,436)</u>

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# WATERMELON INVESTMENTS PLC

## GROUP BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Goodwill	8			58,034	
<b>Current assets</b>					
Debtors	11	12,403		12,403	
<b>Creditors: amounts falling due within one year</b>	12	(54,214)		(51,814)	
<b>Net current liabilities</b>			(41,811)		(39,411)
<b>Total assets less current liabilities</b>			(41,811)		18,623
<b>Capital and reserves</b>					
Called up share capital	14	114,132		114,132	
Share premium account		715,556		715,556	
Profit and loss reserves		(871,499)		(811,065)	
<b>Total equity</b>			(41,811)		18,623

The financial statements were approved by the board of directors and authorised for issue on 30 March 2021 and are signed on its behalf by:



Ms S L Jones  
Director

# WATERMELON INVESTMENTS PLC

## COMPANY BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	9		10,000		184,097
<b>Current assets</b>					
Debtors	11	2,403		2,403	
<b>Creditors: amounts falling due within one year</b>	12	(54,214)		(51,814)	
<b>Net current liabilities</b>			(51,811)		(49,411)
<b>Total assets less current liabilities</b>			(41,811)		134,686
<b>Capital and reserves</b>					
Called up share capital	14		114,132		114,132
Share premium account			715,556		715,556
Profit and loss reserves			(871,499)		(695,002)
<b>Total equity</b>			(41,811)		134,686

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the period was £176,497 (2019 - £1,617 loss).

The financial statements were approved by the board of directors and authorised for issue on 30 March 2021 and are signed on its behalf by:



Ms S L Jones  
Director

Company Registration No. 06739917

# WATERMELON INVESTMENTS PLC

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2018</b>	114,132	715,556	(774,629)	55,059
<b>Year ended 30 June 2019:</b>				
Loss and total comprehensive income for the year	-	-	(36,436)	(36,436)
<b>Balance at 30 June 2019</b>	114,132	715,556	(811,065)	18,623
<b>Year ended 30 June 2020:</b>				
Loss and total comprehensive income for the year	-	-	(60,434)	(60,434)
<b>Balance at 30 June 2020</b>	114,132	715,556	(871,499)	(41,811)

# WATERMELON INVESTMENTS PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 July 2018	114,132	715,556	(693,385)	136,303
Year ended 30 June 2019:				
Loss and total comprehensive income for the year	-	-	(1,617)	(1,617)
Balance at 30 June 2019	114,132	715,556	(695,002)	134,686
Year ended 30 June 2020:				
Loss and total comprehensive income for the year	-	-	(176,497)	(176,497)
Balance at 30 June 2020	114,132	715,556	(871,499)	(41,811)

# **WATERMELON INVESTMENTS PLC**

## **GROUP STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 £	2019 £
Net cash outflow from operating activities	16	-	-
Net cash used in investing activities		-	-
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

# **WATERMELON INVESTMENTS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

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### **1 Accounting policies**

#### **Company information**

Watermelon Investments Plc ("the company") is a public limited company, limited by shares, domiciled and incorporated in England and Wales. The registered office is 4th Floor, 36 Spital Square, London, E1 6DY.

The group consists of Watermelon Investments Plc and all of its subsidiaries.

#### **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.

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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### **1.2 Basis of consolidation**

In the parent company investments in subsidiaries are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Watermelon Investments Plc and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In accordance with section 408 Companies Act 2006 the financial statements omit the individual profit and loss account of Watermelon Investments Plc.



# WATERMELON INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

During the year the group has continued to be funded personally by the current and former directors.

At the time of approving the financial statements, the directors have confirmed that they will continue to provide sufficient funding for the group to meet the payment obligations as they fall due and will look to provide this funding for at least the next 12 months. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

#### 1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

#### 1.7 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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.

##### **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.

##### **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 end date.

# WATERMELON INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***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 group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and loans 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. 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.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### ***Key sources of estimation uncertainty***

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Goodwill***

The directors have estimated the goodwill on consolidation to have a life of five years. Given the current operations of the group any change in the estimated life of the goodwill would have a significant impact on the financial statements.

# WATERMELON INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 3 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging:		
Amortisation of intangible assets	34,819	34,819
Impairment of intangible assets	23,215	-
	<u>58,034</u>	<u>34,819</u>

### 4 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2,400	1,200
	<u>2,400</u>	<u>1,200</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Directors	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

During the current and previous period the directors received no remuneration or pension benefits from the company or group.

### 6 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(60,434)	(36,436)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(11,482)	(6,923)
Unutilised tax losses carried forward	456	220
Amortisation on assets not qualifying for tax allowances	11,026	6,703
Taxation charge	<u>10,000</u>	<u>6,000</u>

# WATERMELON INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 7 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2020 £	2019 £
In respect of:			
Goodwill	8	23,215	-
Recognised in:			
Administrative expenses		23,215	-

### 8 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 July 2019 and 30 June 2020	174,097
<b>Amortisation and impairment</b>	
At 1 July 2019	116,063
Amortisation charged for the year	34,819
Impairment losses	23,215
At 30 June 2020	174,097
<b>Carrying amount</b>	
At 30 June 2020	-
At 30 June 2019	58,034

The company had no intangible fixed assets at 30 June 2020 or 30 June 2019.

The goodwill relates to the acquisition of Reversionary Asset Management Limited on 1 March 2016. Goodwill is being amortised evenly over 5 years.

More information on impairment movements in the year is given in note 7.

### 9 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	10	-	-	10,000	184,097

# WATERMELON INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 9 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 July 2019 and 30 June 2020

184,097

#### Impairment

At 1 July 2019

-

Impairment losses

174,097

At 30 June 2020

174,097

#### Carrying amount

At 30 June 2020

10,000

At 30 June 2019

184,097

### 10 Subsidiaries

At 30 June 2020 the parent company owned 100 ordinary £100 shares of Reversionary Asset Management Limited being the entire issued share capital of that company. The company is incorporated in the UK with the principal activity being that of investment in freehold ground rents and associated services although during the two years to 30 June 2020 there were no financial transactions. Reversionary Asset Management Limited owns 1000 ordinary unpaid £1000 shares of TSI 1 Limited being the entire share capital of that company. TSI 1 Limited is incorporated in the UK and is currently dormant.

### 11 Debtors

	Group 2020	2019	Company 2020	2019
Amounts falling due within one year:	£	£	£	£
Other debtors	12,403	12,403	2,403	2,403

### 12 Creditors: amounts falling due within one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Other borrowings	13	37,600	37,600	37,600	37,600
Other creditors		8,720	7,615	8,720	7,615
Accruals and deferred income		7,894	6,599	7,894	6,599
		54,214	51,814	54,214	51,814

# WATERMELON INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 13 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other loans	37,600	37,600	37,600	37,600
Payable within one year	37,600	37,600	37,600	37,600

### 14 Share capital

	Group and company 2020 £		2019 £
Ordinary share capital Issued and fully paid			
50,113,717 Ordinary shares of 0.01p each		5,012	5,012
8,800,000 Deferred shares of 1.24p each		109,120	109,120
		114,132	114,132

The deferred shares have no voting or dividend rights and only have a right to a return of paid up capital in a liquidation after the payment of £100 to each and every ordinary shareholder.

### 15 Related party transactions

At the balance sheet date net amounts of £22,209 (2019 £20,504) were owed by the group ( £32,209 (2019 £30,504) by the company) to current and former directors and their families.

### 16 Cash absorbed by group operations

	2020 £	2019 £
Loss for the year after tax	(60,434)	(36,436)
<b>Adjustments for:</b>		
Amortisation and impairment of intangible assets	58,034	34,819
<b>Movements in working capital:</b>		
Decrease in debtors	-	725
Increase in creditors	2,400	892
<b>Cash absorbed by operations</b>	-	-

# WATERMELON INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 17 Analysis of changes in net debt - group

	1 July 2019	30 June 2020
	£	£
Borrowings excluding overdrafts	(37,600)	(37,600)
	<u>          </u>	<u>          </u>

There were no movements in net debt during the current or previous year