

REGISTERED NUMBER: 07285998 (England and Wales)

Unaudited Financial Statements

for the Year Ended 30 June 2019

for

Zahawi & Zahawi Ltd

Contents of the Financial Statements
for the Year Ended 30 June 2019

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Zahawi & Zahawi Ltd
Company Information
for the Year Ended 30 June 2019

DIRECTOR: Ms L F J Saib

REGISTERED OFFICE: 36 Wilton Crescent
London
SW1X 8RX

REGISTERED NUMBER: 07285998 (England and Wales)

Balance Sheet
30 June 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	4		372,190		363,245
Investment property	5		<u>40,917,803</u>		<u>40,917,803</u>
			41,289,993		41,281,048
CURRENT ASSETS					
Debtors	6	200,589		194,840	
Cash at bank and in hand		<u>419,825</u>		<u>422,609</u>	
		620,414		617,449	
CREDITORS					
Amounts falling due within one year	7	<u>2,128,439</u>		<u>1,929,917</u>	
NET CURRENT LIABILITIES			<u>(1,508,025)</u>		<u>(1,312,468)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			39,781,968		39,968,580
CREDITORS					
Amounts falling due after more than one year	8		(37,532,289)		(38,510,512)
PROVISIONS FOR LIABILITIES			<u>(381,328)</u>		<u>(298,771)</u>
NET ASSETS			<u>1,868,351</u>		<u>1,159,297</u>
CAPITAL AND RESERVES					
Called up share capital			200		200
Retained earnings			<u>1,868,151</u>		<u>1,159,097</u>
			<u>1,868,351</u>		<u>1,159,297</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2019 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges her responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of
- (b) Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 3 February 2020 and were signed by:

Ms L F J Saib - Director

Notes to the Financial Statements
for the Year Ended 30 June 2019

1. STATUTORY INFORMATION

Zahawi & Zahawi Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rental income from investment properties is recognised when the company is entitled to receive the income and it is probable that the income will be received.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 20% on straight line basis and 5% on a straight line basis
Plant and machinery	- 15% on reducing balance and 10% on straight line basis
Fixtures and fittings	- 20% on straight line basis
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on straight line basis

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, 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 assets 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.

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 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 payables, bank loans and overdrafts 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.

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

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

Derivatives

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

Offsetting

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.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 6 (2018 - 5) .

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 July 2018	253,045	30,850	41,301
Additions	-	-	11,992
At 30 June 2019	<u>253,045</u>	<u>30,850</u>	<u>53,293</u>
DEPRECIATION			
At 1 July 2018	73,170	4,240	37,170
Charge for year	13,771	3,720	4,025
Eliminated on disposal	-	-	-
At 30 June 2019	<u>86,941</u>	<u>7,960</u>	<u>41,195</u>
NET BOOK VALUE			
At 30 June 2019	<u>166,104</u>	<u>22,890</u>	<u>12,098</u>
At 30 June 2018	<u>179,875</u>	<u>26,610</u>	<u>4,131</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

4. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2018	202,458	9,838	537,492
Additions	149,350	1,838	163,180
Disposals	(99,272)	-	(99,272)
At 30 June 2019	<u>252,536</u>	<u>11,676</u>	<u>601,400</u>
DEPRECIATION			
At 1 July 2018	52,099	7,568	174,247
Charge for year	56,313	1,952	79,781
Eliminated on disposal	(24,818)	-	(24,818)
At 30 June 2019	<u>83,594</u>	<u>9,520</u>	<u>229,210</u>
NET BOOK VALUE			
At 30 June 2019	<u>168,942</u>	<u>2,156</u>	<u>372,190</u>
At 30 June 2018	<u>150,359</u>	<u>2,270</u>	<u>363,245</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 July 2018	193,468
Additions	107,850
Disposals	(99,272)
At 30 June 2019	<u>202,046</u>
DEPRECIATION	
At 1 July 2018	48,367
Charge for year	44,624
Eliminated on disposal	(24,818)
At 30 June 2019	<u>68,173</u>
NET BOOK VALUE	
At 30 June 2019	<u>133,873</u>
At 30 June 2018	<u>145,101</u>

5. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 July 2018 and 30 June 2019	<u>40,917,803</u>
NET BOOK VALUE	
At 30 June 2019	<u>40,917,803</u>
At 30 June 2018	<u>40,917,803</u>

The director believes that cost of properties acquired within the three years ended 30 June 2019 provides a fair reflection of valuation at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2019

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	85,825	181,607
Interest rate cap	55,437	-
Prepayments	59,327	13,233
	<u>200,589</u>	<u>194,840</u>

The company has entered into an interest rate cap contract in respect of certain bank borrowings. This has been accounted for as a financial instrument, stated at its fair value as at the balance sheet date. Impairment gains or losses arising on the restatement of this derivative to its fair value have been accounted for through the profit and loss account.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts	275,000	275,000
Hire purchase contracts	29,015	36,156
Trade creditors	42,060	2,031
Tax	109,144	15,675
Social security and other taxes	5,030	2,028
VAT	66,187	70,971
Other creditors	1,118,477	1,110,347
Directors' loan accounts	-	33,700
Accruals & deferred income	483,526	384,009
	<u>2,128,439</u>	<u>1,929,917</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans - 1-2 years	11,190,000	275,000
Bank loans - 2-5 years	-	11,190,000
Hire purchase contracts	74,426	57,249
Other creditors	26,267,863	26,988,263
	<u>37,532,289</u>	<u>38,510,512</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank loans	11,465,000	11,740,000
Hire purchase contracts	103,441	93,405
	<u>11,568,441</u>	<u>11,833,405</u>

Bank loans and mortgages are secured on the properties to which they relate.

Hire purchase liabilities are secured on the asset to which they relate.

10. ULTIMATE CONTROLLING PARTY

The controlling party is Ms L F J Saib.

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.