

Ask Real Estate Limited

**Annual report and financial
statements**

Registered number 08084031

For the year ended 31 December 2018



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Company information

Directors

J Cross
J Hughes
L Richardson
M Richardson

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

NatWest Bank plc
Springfields Square
Manchester
M3 3LY

Registered office

4 Birchley Estate
Birchfield Lane
Oldbury
West Midlands
B69 1DT

Registered number

08084031

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2018.

Principal activities and results for the year

The principal activity of the company is that of property development. The company made a loss of £614,815 during the year (31 December 2017: profit of £2,547,274).

Directors

The directors who served the company during the year were as follows;

J Cross
J Hughes
L Richardson
M Richardson

Dividends

No dividends were paid during the year (31 December 2017: £9,180 per ordinary B share).

Future developments

The company will continue to act as a property developer.

Political donations

The company has not made any political donations in the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company exemption

In preparing the Directors' report the directors have taken advantage of the exemption allowed for small companies as set out in the Companies Act 2006.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and BDO LLP will therefore continue in office.

By order of the Board



J Cross
Director

4 Birchley Estate
Birchfield Lane
Oldbury
West Midlands
B69 1DT

24 September 2019

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to members of Ask Real Estate Limited

Opinion

We have audited the financial statements of Ask Real Estate Limited ("the Company") for the year ended 31 December 2018 which comprise the profit and loss account, the statement of other comprehensive income, the balance sheet, the statement of changes in equity 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 Financial Reporting Standard 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 Company's affairs as at 31 December 2018 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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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 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 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom

30 SEPTEMBER 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and loss account
for the year ended 31 December 2018

	<i>Note</i>	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Turnover		474,866	2,498,686
Administrative expenses		(1,199,405)	(1,821,359)
Operating (loss)/profit	2	(724,539)	677,327
Income from other fixed asset investments		-	2,000,333
(Loss)/profit before taxation		(724,539)	2,677,660
Taxation	4	109,724	(130,386)
(Loss)/profit for the financial year		(614,815)	2,547,274

The results for the year reflect trading from continuing operations.

The notes on pages 10 to 18 form an integral part of the financial statements.

Statement of other comprehensive income
for the year ended 31 December 2018

There are no differences between the total comprehensive income for the year and the loss for the year.

Balance sheet
at 31 December 2018

	<i>Note</i>	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	5	-	-	-	-
Investments	6		359		209
			<hr/>		<hr/>
			359		209
Current assets					
Stocks	7	-		55,290	
Debtors	8	2,638,206		882,036	
Cash at bank and in hand		84,906		1,949,914	
		<hr/>		<hr/>	
		2,723,112		2,887,240	
Creditors: Amounts falling due within one year	9	(2,021,764)		(1,570,927)	
		<hr/>		<hr/>	
Net current assets			701,348		1,316,313
			<hr/>		<hr/>
Total assets less current liabilities, being net assets			701,707		1,316,522
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	10	600		600	
Profit and loss account		701,107		1,315,922	
		<hr/>		<hr/>	
Equity shareholders' funds			701,707		1,316,522
			<hr/>		<hr/>

The notes on pages 10 to 18 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 24 September 2019 and were signed on its behalf by:



J Cross
Director

Company registered number: 08084031

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2017	600	604,628	605,228
Total comprehensive income for the year			
Profit for the period	-	2,547,274	2,547,274
Dividends paid	-	(1,835,980)	(1,835,980)
Balance at 31 December 2017	600	1,315,922	1,316,522
Balance at 1 January 2018	600	1,315,922	1,316,522
Total comprehensive income for the year			
Loss for the year	-	(614,815)	(614,815)
Balance at 31 December 2018	600	701,107	701,707

The notes on pages 10 to 18 form an integral part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Ask Real Estate Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company’s ultimate parent undertaking, Regalhill Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Regalhill Limited are prepared in accordance with Financial Reporting Standard 102 and are available to the public and may be obtained from Companies House. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Regalhill Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

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

1.1 Going concern

The company meets its day-to-day working capital requirements through its retained reserves and from group loans. After making enquiries and reviewing forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore the company continues to adopt the going concern basis in preparing its financial statements.

Notes (continued)

1 Accounting policies (continued)

1.2 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors 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 in the case of trade debtors.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- fixtures and fittings 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.6 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.7 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

1.8 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.9 Interest receivable and Dividend income

Other interest receivable and similar income include interest receivable on funds invested.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

1.10 Taxation

Tax on the profit or loss for the period comprises current 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 the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

1.11 Judgements and key sources of uncertainty

In preparing these financial statements, the directors have not made any judgements that could have a material effect on the results or the shareholders' funds.

1.12 Share capital

Called up share capital represents the nominal value of the shares issued.

1.13 Profit and loss account

Profit and loss account represents the cumulative profits or losses net of dividends paid and other adjustments.

Notes (continued)

2 Operating profit

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
<i>Operating profit is stated after charging</i>		
Depreciation of owned assets	-	7,300
Operating leases:		
Other assets	33,165	32,878
	<u> </u>	<u> </u>
<i>Fees paid to the company's auditor:</i>		
Audit of these financial statements	7,000	7,000
	<u> </u>	<u> </u>

3 Staff numbers and costs

The average monthly number of persons employed by the Company (including directors) during the year was 7 (31 December 2017: 7).

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Wages and salaries	684,927	727,168
Social security costs	82,607	89,154
Other pension costs	44,945	43,463
	<u> </u>	<u> </u>
	812,479	859,785
	<u> </u>	<u> </u>

Aggregate emoluments paid to directors during the period were £319,310 (31 December 2017: £313,097). During the period retirement benefits were accruing to 2 directors (31 December 2017: 2) in respect of defined contribution benefit schemes.

Notes (continued)

4 Taxation

Analysis of charge in year

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
<i>UK corporation tax</i>		
Current tax on income for the year	(131,393)	130,386
Adjustments in respect of prior periods	21,669	-
	<hr/>	<hr/>
Tax on (loss) / profit	(109,724)	130,386
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The tax charge for the year is higher (*period ended 31 December 2017: lower*) than the standard rate of corporation tax in the UK of 20% (*period ended 31 December 2017: 20%*). The differences are explained below:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
<i>Tax reconciliation</i>		
Profit for the year	(724,539)	2,547,274
Total tax expense	-	130,386
	<hr/>	<hr/>
	(724,539)	2,677,660
Tax at 19% (31 December 2016:20%)	(137,662)	508,755
Dividend income	-	(378,369)
Losses carried forward	6,269	-
Adjustments in respect of prior periods	21,669	-
	<hr/>	<hr/>
Total tax (credit) / charge (see above)	(109,724)	130,386
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes (continued)

5 Tangible fixed assets

	Fixtures and fittings £
<i>Cost and depreciation</i>	
At beginning and end of year	45,681
<i>Net book value</i>	
At beginning and end of year	-

6 Investments held as fixed assets

	Investments in subsidiary undertakings £
<i>Cost</i>	
At beginning of year	209
Additions	150
At end of year	359
<i>Net book value</i>	
At 31 December 2018	359
At 31 December 2017	209

The Company's subsidiaries are noted below:

	Shareholding	Principal activity
Ask Real Estate (Embankment) Limited ¹	100%	Property development
Ask Real Estate (Investments) Limited ¹	100%	Dormant
Ask (Exchange East) Limited ¹	100%	Dormant
Ask (Exchange East) Developments Limited ¹	100%	Dormant
Ask Central Limited ¹	100%	Property development
Ask Patrizia (GQ) LLP ²	50%	Property development
Ask (First Street) Limited ²	50%	Property development
First Street Development Limited ²	45%	Property development
Ask Embankment 100 LLP ^{*1}	50%	Property development
Ask Deansgate Limited ²	100%	Property development

¹ Registered office: 4 Birchley Estate, Birchfield Land, Oldbury, West Midlands, B69 1DT

² Registered office: 3rd Floor, Clarence House, Clarence Street, Manchester, M2 4DW

* Indirect holding

Notes (continued)

6 Investments held as fixed assets (continued)

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Ask Real Estate (Embankment) Limited	284,500	-
Ask Real Estate (Investments) Limited	100	-
Ask (Exchange East) Limited	1	-
Ask (Exchange East) Developments Limited	1	-
Ask Central Limited	(2,081,523)	(635,556)
Ask Patrizia (GQ) LLP	(5,462)	(5,645)
Ask (First Street) Limited	383,611	383,511
First Street Development Limited	10,326	10,426
Ask Embankment 100 LLP	-	-
Ask Deansgate Limited	96	(4)
	<hr/>	<hr/>

7 Stocks

	2018 £	2017 £
Work in progress	-	55,290
	<hr/>	<hr/>

8 Debtors

	2018 £	2017 £
Trade debtors	6,924	6,000
Amounts owed by group undertakings	2,252,349	-
Amounts owed by joint ventures (note 14)	378,933	876,036
	<hr/>	<hr/>
	2,638,206	882,036
	<hr/>	<hr/>

9 Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	70,336	145,550
Amounts owed to group undertakings	1,742,530	840,343
Other creditors	107,816	107,247
Corporation tax	1,705	114,653
Other taxation and social security	21,745	204,516
Accruals and deferred income	77,632	158,618
	<hr/>	<hr/>
	2,021,764	1,570,927
	<hr/>	<hr/>

Notes (continued)

10 Called up share capital

	2018 £	2017 £
<i>Authorised, allotted and fully paid:</i>		
400 "A" ordinary shares of £1 each	200	200
200 "B" ordinary shares of £1 each	400	400
	<hr/>	<hr/>
	600	600
	<hr/>	<hr/>

11 Dividends

	2018 £	2017 £
Dividends paid on equity capital	-	1,835,980
	<hr/>	<hr/>

12 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable to the scheme and amounts to £44,945 (2017: £35,033). There were no outstanding contributions (2016: £Nil) at the end of the financial year.

13 Operating lease commitments

Land and buildings commitments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Operating lease payments:		
Within one year	38,325	32,130
Between two and five years	73,290	111,615
	<hr/>	<hr/>
	111,615	143,745
	<hr/>	<hr/>

14 Related party transactions

Group undertakings

The company is exempt from disclosing these related party transactions as they are all with companies that are wholly owned within the Group.

Other

	Debtor outstanding	
	2018 £	2017 £
<i>Joint venture</i>		
Ask Patrizia (GQ) LLP	375,999	225,999
EPISO 3 OASIS Srl	-	650,037
Oasis One Hundred (Developments) Limited	2,934	-
	<hr/>	<hr/>
	378,933	876,036
	<hr/>	<hr/>

Notes *(continued)*

15 Ultimate parent company and controlling party

The ultimate parent company and controlling party is Regalhill Limited, which is incorporated in Great Britain and registered in England and Wales.

Copies of the group financial statements of Regalhill Limited are available from Companies House.