

Registered number: 08886806

MUSWELL HILL LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018



MUSWELL HILL LTD

CONTENTS

	Page
Company information	1
Balance sheet	2
Notes to the financial statements	3 - 9

MUSWELL HILL LTD

COMPANY INFORMATION

Directors

A Manoach
B Spitz

Registered number

08886806

Registered office

14 Berkeley Street
Mayfair
London
W1J 8DX

Independent auditor

Blick Rothenberg Audit LLP
Chartered Accountants & Statutory Auditor
16 Great Queen Street
Covent Garden
London
WC2B 5AH

MUSWELL HILL LTD**BALANCE SHEET
AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
Current assets			
Stocks		11,659,808	11,465,159
Debtors: amounts falling due within one year	4	929,863	967,315
Cash at bank and in hand		70,825	1,230,994
		<u>12,660,496</u>	<u>13,663,468</u>
Creditors: amounts falling due within one year	5	(14,772,884)	(803,413)
Net current (liabilities)/assets		<u>(2,112,388)</u>	<u>12,860,055</u>
Total assets less current liabilities		<u>(2,112,388)</u>	<u>12,860,055</u>
Creditors: amounts falling due after more than one year	6	-	(14,034,565)
Net liabilities		<u>(2,112,388)</u>	<u>(1,174,510)</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		(2,112,488)	(1,174,610)
Total deficit		<u>(2,112,388)</u>	<u>(1,174,510)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

A Manoach
Director

Date: 28/8/2019

The notes on pages 3 to 9 form part of these financial statements.

MUSWELL HILL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. General information

Muswell Hill Limited is a private company limited by shares incorporated in England. The address of its registered office is 14 Berkeley Street, Mayfair, London, W1J 8DX.

The financial statements are presented in Sterling (£).

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The year end balance sheet shows a net deficit. The company's parent has indicated its willingness to support the company. The company breached covenants within its commercial loan agreement which at the date the financial statements are authorised for issue have not been remedied and the terms of the agreement have not been renegotiated. The directors are confident that adequate funding, through new loan financing, would be available to refinance the loans and to meet the company's liabilities as they fall due in the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue arises from the sales of the company's property stock.

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. The following criteria must also be met before revenue is recognised:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

MUSWELL HILL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

MUSWELL HILL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.6 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, and intercompany working capital 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, commercial loans, 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 payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

MUSWELL HILL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.6 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

Derecognition of financial assets and financial liabilities

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) despite having retained some significant risks and rewards of ownership, control of 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 are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

2.7 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

2.9 Share capital

Ordinary shares are classified as equity.

MUSWELL HILL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is 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 not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The company has no employees, other than the directors, in either the year or the prior year.

4. Debtors

	2018 £	2017 £
Other debtors	226,408	369,800
Prepayments and accrued income	286,666	372,667
Deferred taxation	416,789	224,848
	<u>929,863</u>	<u>967,315</u>

MUSWELL HILL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

5. Creditors: amounts falling due within one year

	2018 £	2017 £
Commercial loan	12,402,953	-
Trade creditors	157,152	469,638
Amounts owed to group undertakings	1,472,432	-
Other creditors	628,347	81,351
Accruals and deferred income	112,000	252,424
	<u>14,772,884</u>	<u>803,413</u>

Secured loans

The commercial loan is due to be repaid in 2021 and is secured by a charge over freehold land and assignment of rental income. The director, B Spitz, has provided a personal guarantee of £2,150,000.

Breach of loan terms

The company breached covenants within its commercial loan agreement and accordingly the loan of £12,402,953 was reclassified to falling due within one year. The breach was not remedied before the financial statements were authorised for issue.

6. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Commercial loan	-	12,092,953
Amounts owed to group undertakings	-	1,941,612
	<u>-</u>	<u>14,034,565</u>

MUSWELL HILL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Commercial loan	12,402,953	-
	<u>12,402,953</u>	<u>-</u>
Amounts falling due 2-5 years		
Commercial loan	-	12,092,953
	<u>12,402,953</u>	<u>12,092,953</u>

8. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100 (2017 - 100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

9. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

10. Auditor's information

The auditor's report on the company's full financial statements was unqualified. Those financial statements were audited by Blick Rothenberg Audit LLP and the auditor's report thereon was signed by Mark Cunningham (senior statutory auditor).