

Company Registration No. 09222921 (England and Wales)

**EXECUTIVE DEVELOPMENTS (NO.4) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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# **EXECUTIVE DEVELOPMENTS (NO.4) LIMITED**

## **COMPANY INFORMATION**

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<b>Director</b>	C Kamenou
<b>Company number</b>	09222921
<b>Registered office</b>	73 Cornhill London EC3V 3QQ
<b>Auditor</b>	Gerald Edelman 73 Cornhill London EC3V 3QQ

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# EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

## BALANCE SHEET

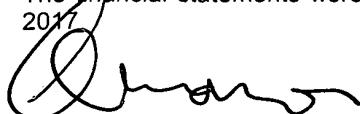
AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investment properties	3		8,675,000		8,512,288
<b>Current assets</b>					
Debtors	4	104,465		29,526	
Cash at bank and in hand		48,913		96,537	
		153,378		126,063	
<b>Creditors: amounts falling due within one year</b>	5	(5,594,490)		(5,541,589)	
<b>Net current liabilities</b>			(5,441,112)		(5,415,526)
<b>Total assets less current liabilities</b>			3,233,888		3,096,762
<b>Creditors: amounts falling due after more than one year</b>	6		(2,965,000)		(3,010,000)
<b>Provisions for liabilities</b>			(1,003,000)		(1,044,000)
<b>Net liabilities</b>			(734,112)		(957,238)
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss reserves			(734,212)		(957,338)
<b>Total equity</b>			(734,112)		(957,238)

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved and signed by the director and authorised for issue on 15 December 2017



C Kamenou  
Director

Company Registration No. 09222921

## EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

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	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2015	100	-	100
Year ended 31 March 2016:			
Loss and total comprehensive income for the year	-	(957,338)	(957,338)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	100	(957,338)	(957,238)
Year ended 31 March 2017:			
Profit and total comprehensive income for the year	-	223,126	223,126
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	<hr/> <hr/> 100	<hr/> <hr/> (734,212)	<hr/> <hr/> (734,112)

# EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

##### **Company information**

Executive Developments (No.4) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Executive Developments (No.4) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

##### **1.2 Going concern**

The financial statements have been prepared on a going concern basis, notwithstanding that there are net liabilities as at 31 March 2017 amounting to £734,112, the validity of which is dependent on the continued financial support of the parent company, Executive Developments Limited. The financial statements do not include any adjustments that would result from discontinuance of their financial support. On this basis, the directors consider that it is appropriate for the financial statements to be prepared on the going concern basis.

##### **1.3 Turnover**

Turnover represents gross rent receivable. Rental income is based on signed leases with tenants and is recognised evenly over the period of the lease. Property sales and profits on the disposals of property are recognised upon completion.

##### **1.4 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

# EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

#### 1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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

Basic financial liabilities, including creditors, bank loans 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.6 Equity instruments

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

#### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.8 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2016 - 1).

### 3 Investment property

	2017 £
<b>Fair value</b>	
At 1 April 2016	8,512,288
Revaluations	162,712
At 31 March 2017	<u>8,675,000</u>

The investment properties have been valued by the director on an open market basis.



# EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	6,831	5,495
Other debtors	97,634	24,031
	<u>104,465</u>	<u>29,526</u>

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

	2017 £	2016 £
Bank loan	45,000	-
Trade creditors	6,337	-
Amounts due to group undertakings	5,478,468	5,490,391
Corporation tax	26,855	21,666
Other taxation and social security	7,644	-
Other creditors	30,186	29,532
	<u>5,594,490</u>	<u>5,541,589</u>

The bank loan is secured by way of a first legal charge over the company's investment properties incorporating a fixed and floating charge over all assets of the company.

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

	2017 £	2016 £
Bank loan	<u>2,965,000</u>	<u>3,010,000</u>

The bank loan is secured by way of a first legal charge over the company's investment properties incorporating a fixed and floating charge over all assets of the company.

### 7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

#### Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.2 to the financial statements, which we consider should be brought to your attention. Our opinion is not qualified in this respect.

The senior statutory auditor was Engin Zekia FCA.

The auditor was Gerald Edelman.

# EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 8 Financial commitments, guarantees and contingent liabilities

The company has given unlimited guarantees in favour of other group companies and connected entities in support of certain borrowings of those entities. The combined borrowings for those entities amounted to £5,800,000 (2016: £2,150,000) as at the year end.

### 9 Related party transactions

The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

### 10 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	Notes	1 April 2015 £	31 March 2016 £
Equity as reported under previous UK GAAP		100	86,762
Adjustments arising from transition to FRS 102:			
Deferred tax on investment properties	1	-	(1,044,000)
Equity reported under FRS 102		100	(957,238)

#### Reconciliation of profit/(loss) for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		86,662
Adjustments arising from transition to FRS 102:		
Deferred tax on investment properties	1	(1,044,000)
Loss reported under FRS 102		(957,338)

# EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 10 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of equity

		At 1 April 2015			At 31 March 2016		
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>							
Investment properties		-	-	-	8,512,288	-	8,512,288
<b>Current assets</b>							
Debtors		100	-	100	29,526	-	29,526
Bank and cash		-	-	-	96,537	-	96,537
		100	-	100	126,063	-	126,063
<b>Creditors due within one year</b>							
Taxation		-	-	-	(21,666)	-	(21,666)
Other creditors	2	-	-	-	(29,532)	(5,490,391)	(5,519,923)
		-	-	-	(51,198)	(5,490,391)	(5,541,589)
Net current assets/ (liabilities)		100	-	100	74,865	(5,490,391)	(5,415,526)
Total assets less current liabilities		100	-	100	8,587,153	(5,490,391)	3,096,762
<b>Creditors due after one year</b>							
Loans and overdrafts	2	-	-	-	(8,500,391)	5,490,391	(3,010,000)
<b>Provisions for liabilities</b>							
Deferred tax	1	-	-	-	-	(1,044,000)	(1,044,000)
Net assets		100	-	100	86,762	(1,044,000)	(957,238)
<b>Capital and reserves</b>							
Share capital		100	-	100	100	-	100
Profit and loss	1	-	-	-	86,662	(1,044,000)	(957,338)
Total equity		100	-	100	86,762	(1,044,000)	(957,238)

# EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 10 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of profit/(loss) for the financial period

	Notes	Year ended 31 March 2016		FRS 102 £
		Previous UK GAAP £	Effect of transition £	
Turnover		300,981	-	300,981
Cost of sales		(50,577)	-	(50,577)
Gross profit		250,404	-	250,404
Administrative expenses		(41,997)	-	(41,997)
Interest receivable and similar income		13	-	13
Interest payable and similar expenses		(100,092)	-	(100,092)
Profit before taxation		108,328	-	108,328
Taxation	1	(21,666)	(1,044,000)	(1,065,666)
Profit/(loss) for the financial period		86,662	(1,044,000)	(957,338)

#### Notes to reconciliations on adoption of FRS 102

##### 1. Deferred tax on investment properties

Whilst the company's investment properties were acquired from Executive Developments Limited at market value, for tax purposes the transfers were made at nil gain / nil loss and consequently the tax base cost remained the original cost of the properties in the parent company, indexed from the original date of acquisition.

As the tax base cost was lower than the accounting cost upon the transfer of the investment properties, a timing difference arose on which a deferred tax liability should be recognised in accordance with FRS 102 Section 29 - Income Tax.

##### 2. Reclassification of intercompany loan

In the absence of a formal loan agreement stating the unconditional right to defer settlement for at least 12 months, the loan should be treated as payable on demand in accordance with FRS 102 Section 4 - Statement of Financial Position. Therefore, the loan has been reclassified as due within one year, and a transitional adjustment has been made for the comparative year.