

Company Registration No. 09222921 (England and Wales)

EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

PAGES FOR FILING WITH REGISTRAR

EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

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EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		12,719		19,079
Investment properties	5		8,675,000		8,675,000
			<u>8,687,719</u>		<u>8,694,079</u>
Current assets					
Debtors	6	58,160		98,540	
Cash at bank and in hand		73,235		92,385	
		<u>131,395</u>		<u>190,925</u>	
Creditors: amounts falling due within one year	7	<u>(8,363,731)</u>		<u>(5,622,132)</u>	
Net current liabilities			<u>(8,232,336)</u>		<u>(5,431,207)</u>
Total assets less current liabilities			455,383		3,262,872
Creditors: amounts falling due after more than one year	8		-		(2,886,250)
Provisions for liabilities			<u>(988,000)</u>		<u>(988,000)</u>
Net liabilities			<u><u>(532,617)</u></u>		<u><u>(611,378)</u></u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>(532,717)</u>		<u>(611,478)</u>
Total equity			<u><u>(532,617)</u></u>		<u><u>(611,378)</u></u>

The directors 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 by the board of directors and authorised for issue on 22 December 2020 and are signed on its behalf by:

C Kamenou
Director

Company Registration No. 09222921

EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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.

1.2 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding that there are net current liabilities of £8,232,336 and net liabilities of £532,617 as at 31 March 2020, 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 director considers that it is appropriate for the financial statements to be prepared on the going concern basis.

In light of the recent Covid-19 outbreak in the UK and the likely economic disruption that this will cause, the directors have considered the impact that this could have on the company's future prospects. Like many businesses the result of the company is impacted by the health of the economy. Therefore, a potential downturn in the economy can have a possible impact on the company's turnover. Having considered this, and taking into account government support and the implications for the industry in general, the directors expect the impact on the company to be limited to the short-term and therefore do not believe it to pose a significant risk to the long-term trading and profitability of the business.

Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020.

1.3 Turnover

Turnover represents gross rent receivable which is based on signed leases with tenants and recognised evenly over the period of the lease.

Other operating income includes profits on disposals of investment property which are recognised upon completion.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	33% Reducing balance
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EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

1.8 Equity instruments

Equity instruments issued by the company 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 company.

1.9 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.

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.

EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.10 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 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	4,842	2,358
	<u> </u>	<u> </u>

3 Employees

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

	2020	2019
	Number	Number
Total	2	2
	<u> </u>	<u> </u>

EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2019 and 31 March 2020	26,744
Depreciation and impairment	
At 1 April 2019	7,665
Depreciation charged in the year	6,360
At 31 March 2020	14,025
Carrying amount	
At 31 March 2020	12,719
At 31 March 2019	19,079

5 Investment properties

	2020 £
Fair value	
At 1 April 2019 and 31 March 2020	8,675,000

The fair value of the investment properties have been arrived at on the basis of a valuation carried out at year end by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

6 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	7,689	8,347
Other debtors	50,471	90,193
	58,160	98,540

EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loan	2,886,250	45,000
Amounts due to group undertakings	5,429,274	5,527,166
Corporation tax	19,981	11,220
Other taxation and social security	859	882
Other creditors	27,367	37,864
	<u>8,363,731</u>	<u>5,622,132</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.

8 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loan	-	2,886,250
	<u>-</u>	<u>2,886,250</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.

None of the amounts included above fall due after more than five years.

9 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.

Material uncertainty related to going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.2 of the financial statements concerning the financial support provided by the parent company Executive Developments Limited. In view of the fact that the preparation of the financial statements on the going concern basis assumes this continued support, we consider that attention should be drawn to these disclosures but our opinion is not qualified in this respect.

The senior statutory auditor was Engin Zekia FCA.

The auditor was Gerald Edelman.

10 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 £10,756,250 (2019: £9,034,750) as at the year end.

EXECUTIVE DEVELOPMENTS (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 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.

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.