

**Report of the Directors and
Unaudited Financial Statements
for the Year Ended 31 December 2021
for
DELFO (ILFORD) LIMITED**

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DELFO (ILFORD) LIMITED

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DELFO (ILFORD) LIMITED

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

M Alsoni
G Fanciulli

REGISTERED OFFICE:

c/o Winston Group
Fairchild House
Redbourne Avenue
London
N3 2BP

REGISTERED NUMBER:

10104549 (England and Wales)

ACCOUNTANTS:

Hill Wooldridge & Co.
107 Hindes Road
Harrow
Middlesex
HA1 1RU

SOLICITORS:

Pirola Pennuto Zei & Associates UK LLP
18th floor, City Tower
40, Basinghall street
London, EC2V 5DE

DELFO (ILFORD) LIMITED

Report of the Directors for the Year Ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of developing building projects.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

M Alsoni
G Fanciulli

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. 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 judgements and accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

M Alsoni - Director



12 September 2022

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Delfo (Ilford) Limited**


In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Delfo (Ilford) Limited for the year ended 31 December 2021 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Delfo (Ilford) Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Delfo (Ilford) Limited and state those matters that we have agreed to state to the Board of Directors of Delfo (Ilford) Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Delfo (Ilford) Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Delfo (Ilford) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Delfo (Ilford) Limited. You consider that Delfo (Ilford) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Delfo (Ilford) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Hill Wooldridge & Co.
107 Hindes Road
Harrow
Middlesex
HA1 1RU

12 September 2022

DELFO (ILFORD) LIMITED

Statement of Profit or Loss for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Revenue		-	-
Administrative expenses		(31,547)	(66,495)
OPERATING LOSS		(31,547)	(66,495)
Finance costs	4	(292,764)	(291,475)
Finance income	4	49	50
LOSS BEFORE INCOME TAX		(324,262)	(357,920)
Income tax	5	61,609	68,005
LOSS FOR THE YEAR		<u>(262,653)</u>	<u>(289,915)</u>

The notes form part of these financial statements

DELFO (ILFORD) LIMITED

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2021

	2021 £	2020 £
LOSS FOR THE YEAR	(262,653)	(289,915)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(262,653)</u>	<u>(289,915)</u>

The notes form part of these financial statements

DELFO (ILFORD) LIMITED (REGISTERED NUMBER: 10104549)**Statement of Financial Position
31 December 2021**

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Deferred tax	13	295,729	234,120
CURRENT ASSETS			
Inventories	6	13,797,903	12,422,229
Trade and other receivables	7	65,579	75,034
Cash and cash equivalents	8	55,873	19,893
		13,919,355	12,517,156
TOTAL ASSETS		14,215,084	12,751,276
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	9	5	5
Retained earnings	10	(1,260,891)	(998,238)
TOTAL EQUITY		(1,260,886)	(998,233)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	12	14,972,857	13,427,223
CURRENT LIABILITIES			
Trade and other payables	11	503,113	322,286
TOTAL LIABILITIES		15,475,970	13,749,509
TOTAL EQUITY AND LIABILITIES		14,215,084	12,751,276

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

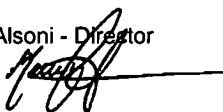
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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 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 were approved by the Board of Directors and authorised for issue on 12 September 2022 and were signed on its behalf by:

M Alsoni - Director



The notes form part of these financial statements

DELFO (ILFORD) LIMITED

Statement of Changes in Equity for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	5	(708,323)	(708,318)
Changes in equity			
Total comprehensive income	-	(289,915)	(289,915)
Balance at 31 December 2020	5	(998,238)	(998,233)
Changes in equity			
Total comprehensive income	-	(262,653)	(262,653)
Balance at 31 December 2021	5	(1,260,891)	(1,260,886)

The notes form part of these financial statements

DELFO (ILFORD) LIMITED

Statement of Cash Flows for the Year Ended 31 December 2021

		2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(1,216,939)	(2,166,871)
Interest paid		(292,764)	(291,475)
Net cash from operating activities		<u>(1,509,703)</u>	<u>(2,458,346)</u>
Cash flows from investing activities			
Interest received		<u>49</u>	<u>50</u>
Net cash from investing activities		<u>49</u>	<u>50</u>
Cash flows from financing activities			
New loans in year		<u>1,545,634</u>	<u>2,498,938</u>
Net cash from financing activities		<u>1,545,634</u>	<u>2,498,938</u>
Increase in cash and cash equivalents		<u>35,980</u>	<u>40,642</u>
Cash and cash equivalents at beginning of year	2	<u>19,893</u>	<u>(20,749)</u>
Cash and cash equivalents at end of year	2	<u><u>55,873</u></u>	<u><u>19,893</u></u>

The notes form part of these financial statements

DELFO (ILFORD) LIMITED

Notes to the Statement of Cash Flows for the Year Ended 31 December 2021

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2021 £	2020 £
Loss before income tax	(324,262)	(357,920)
Finance costs	292,764	291,475
Finance income	(49)	(50)
	<u>(31,547)</u>	<u>(66,495)</u>
Increase in inventories	(1,375,674)	(2,134,631)
Decrease in trade and other receivables	9,455	145,888
Increase/(decrease) in trade and other payables	180,827	(111,633)
	<u>(1,216,939)</u>	<u>(2,166,871)</u>
Cash generated from operations	(1,216,939)	(2,166,871)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u>55,873</u>	<u>19,893</u>

Year ended 31 December 2020

	31.12.20 £	1.1.20 £
Cash and cash equivalents	<u>19,893</u>	-
Bank overdrafts	-	<u>(20,749)</u>
	<u>19,893</u>	<u>(20,749)</u>

DELFO (ILFORD) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

1. STATUTORY INFORMATION

Delfo (Ilford) Limited ("the Company") is a company incorporated and domiciled in the United Kingdom as a private limited company under the provisions of the Companies Act 2006. The Company's registered number and registered office address can be found on the Company information page.

Principal activities and nature of operations of the company

The principal activities of the Company are the development of building projects.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of and investment property.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Functional and presentation currency

The financial statements are presented in pound sterling which is the functional currency of the company.

New standards and interpretations not yet adopted

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective and only some of them were adopted by the European Union. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the company.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Inventories

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

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

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

DELFO (ILFORD) LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Going concern basis

The company incurred a loss of £262,653 in the year ended 31 December 2021, and as at that date its liabilities exceeded its assets by £1,260,886. The company is dependent upon the continuing financial support of its shareholders without which there would be significant doubt about its ability to continue as a going concern as well its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholders have indicated their intention to continue providing such financial assistance to the company to enable it to continue as a going concern and to meet its obligations as they fall due.

Finance Costs

Interest expenses and other borrowing costs are charged to profit and loss as incurred.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprises of cash at bank.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when;

- The rights to receive cash flows from the asset have expired ;
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred - substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

DELFO (ILFORD) LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Financial risk management

Financial risk factors

The company is exposed to interest rate risk, credit risk, liquidity risk. The risk management policies employed by the company to manage these risks are discussed below:

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The company income and operating cash flows are substantially independent of changes in market interest rates as the company has no significant interest-bearing assets. The company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at variable rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis acts accordingly.

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from the financial assets on hand at the reporting date. The company has no significant concentration of credit risk. The company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date:

	2021 £	2020 £
Receivables	-	-
Bank current accounts	55,873	19,893
	<u>55,873</u>	<u>19,893</u>

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

Work in progress

Work in progress is stated at cost plus and attributable profits less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on normal level of activity. The Company uses its judgment to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each reporting date.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2021 nor for the year ended 31 December 2020.

DELFO (ILFORD) LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

3. EMPLOYEES AND DIRECTORS - continued

	2021 £	2020 £
Directors' remuneration	-	-

4. NET FINANCE COSTS

	2021 £	2020 £
Finance income:		
Bank interest received	49	50
Finance costs:		
Bank loan interest	292,764	291,475
Net finance costs	292,715	291,425

5. INCOME TAX

Analysis of tax income

	2021 £	2020 £
Deferred tax	(61,609)	(68,005)
Total tax income in statement of profit or loss	(61,609)	(68,005)

6. INVENTORIES

	2021 £	2020 £
Work-in-progress	13,797,903	12,422,229

Inventories is stated at cost. The company owns a building at 567 High Road , Ilford IG3 8EE and land lying north of High Road, Seven Kings registered at the Land Registry under title number EGL280082 and EGL312137. Planning permission was obtained for demolition of existing building and redevelopment into 35 residential units and ground floor commercial use in a 9 storey building.

7. TRADE AND OTHER RECEIVABLES

	2021 £	2020 £
Current:		
Other debtors	2,966	2,688
VAT	62,613	69,796
Prepayments and accrued income	-	2,550
	65,579	75,034

8. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Bank accounts	55,873	19,893

DELFO (ILFORD) LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2021 £	2020 £
454	OrdinaryA	.01	<u>5</u>	<u>5</u>

10. RESERVES

	Retained earnings £
At 1 January 2021	(998,238)
Deficit for the year	(262,653)
At 31 December 2021	<u>(1,260,891)</u>

11. TRADE AND OTHER PAYABLES

	2021 £	2020 £
Current:		
Trade creditors	500,801	319,724
PAYE and NIC control	562	562
Accruals and deferred income	1,750	2,000
	<u>503,113</u>	<u>322,286</u>

12. FINANCIAL LIABILITIES - BORROWINGS

	2021 £	2020 £
Non-current:		
Bank loans - 1-2 years	8,200,000	8,200,000
Other loans - 1-2 years	6,772,857	5,227,223
	<u>14,972,857</u>	<u>13,427,223</u>

Terms and debt repayment schedule

	2-5 years £
Bank loans	8,200,000
Other loans	6,772,857
	<u>14,972,857</u>

13. DEFERRED TAX

The company has tax losses to carry forward which the director believes will be relieved at a future date. It is believed these losses will be get relief at the future expected rate of 19% corporation tax. A deferred tax asset has been recognised to reflect this situation.

DELFO (ILFORD) LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

13. DEFERRED TAX - continued

	2021 £	2020 £
Balance at 1 January	(234,120)	(166,115)
Arising from tax losses carried forward	(61,609)	(68,005)
Balance at 31 December	<u>(295,729)</u>	<u>(234,120)</u>

14. RELATED PARTY TRANSACTIONS

Shareholder's current accounts - credit balances

	2021 £	2020 £
RO-MA Invest S.r.l.	4,381,642	3,341,262
Setha Management Limited	561,177	481,702
Gaiae Limited	1,830,038	1,404,260
	<u>6,772,857</u>	<u>5,227,224</u>

The company is controlled by RO-MA Invest S.r.l., incorporated in Italy, which owns 65% of the Company's shares.

The balances on shareholder's current accounts are provided interest free with no specified repayment dates.