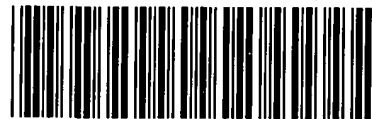


Company Registration No. 10161927 (England and Wales)

**EDGEWATER (BRIGHTON) LTD ANNUAL
FILLETED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2021**

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EDGEWATER (BRIGHTON) LTD ANNUAL REPORT AND ACCOUNTS

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**EDGEWATER (BRIGHTON) LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2021**

Directors

Bianca Traub
Jack Frankel
Jacob Dreyfuss
Paul Miller

Company Number

10161927 (England and Wales)

Registered Office

50 Weymouth Mews
London
W1G 7EH

EDGEWATER (BRIGHTON) LTD
STATEMENT OF
FINANCIAL POSITION AS AT 31 MAY 2021

	Notes	2021 £	2020 £
Non-current assets			
Investment property	3	350,000	350,000
Investment in subsidiary	4	8,804,855	10,511,300
		<u>9,154,855</u>	<u>10,861,300</u>
Current assets			
Trade and other receivables	5	95,122	20,134
Cash at bank and in hand		154,422	459,164
		<u>249,544</u>	<u>479,298</u>
Creditors: amounts falling due within one year	6	<u>(90,740)</u>	<u>(156,863)</u>
Net current assets		<u>158,804</u>	<u>322,435</u>
Total assets less current liabilities		<u>9,313,659</u>	<u>11,183,735</u>
Creditors: amounts falling due after more than one year	7	<u>(7,879,732)</u>	<u>(9,565,724)</u>
Net assets		<u>1,433,927</u>	<u>1,618,011</u>
Capital and reserves			
Called up share capital	8	50,000	50,000
Share premium		736,534	736,534
Profit and loss account		647,393	831,477
Shareholders' funds		<u>1,433,927</u>	<u>1,618,011</u>

For the year ending 31 May 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The company is not required to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

Approved by the Board on 15.02.22


Bianca Traub

Director

Company Registration No. 10161927

EDGEWATER (BRIGHTON) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1 Statutory information

This report represents the results of Edgewater (Brighton) Ltd limited by shares, registered in England and Wales, registration number 10161927 (known as "the Company"). The registered office is C/O 50 WEYMOUTH MEWS, LONDON, W1G 7EH, ENGLAND. The principal activities of the Company are the sale of properties to the open market, the investment holding of properties and the collection of rental income from their tenants.

2 Accounting policies

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 United Kingdom and the Republic of Ireland and the Companies Act 2006. There were no material departures from that standard.

These financial statements have been prepared on a going concern basis. The directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. The Group generates revenues from rental income of properties held by the subsidiary and sales thereof which is adequate to cover operational expenditure as and when these arise. The Company has sufficient working capital for at least 12 months from date of approval of these financial statements. External loans fall due in 2023, and shareholders loans are subordinated to external debt finance. For these reasons the Company adopts the going concern basis in the preparation of these financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and have been consistently applied.

The following principle accounting policies have been applied:

Presentation currency

The accounts are presented in £ sterling.

Critical accounting estimates and judgements

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements comprise of the following:

Fair value measurement

The Company measures investment property, at fair value at the end of each reporting period, fair values of financial instruments measured at amortised cost are disclosed in the financial statements.

Valuation of investment property

Investment Property is valued at market value and is determined based on observable inputs and an industry standard measure of determining the value of a freehold interest. This value is determined with reference to a 25 year period of the expected rental income. This valuation is shown in note 5.

Investment properties

Investment properties are held to earn rentals and/or for capital appreciation. The Investment Properties are held at fair value and any gain or losses are shown in the Income Statement.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year in which the property is derecognised.

EDGEWATER (BRIGHTON) LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

2 Accounting policies (continued)

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost includes materials and labour in relation to the development site. The Company also uses consultants to assist in the development as such these costs are capitalised. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial instruments are offset and the net amount reported in the statement of financial position only when there is a current legally enforceable 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. The Company does not deal in any derivatives.

Derecognition of a financial instruments

Before evaluating whether, and to what extent, derecognition of a financial instruments is appropriate, the Company determines whether de-recognition should be applied to only part of the financial instrument or all of financial instruments. The Company only derecognises a financial instrument when the contractual rights and obligations to the cash flows expire or the financial instrument is transferred and the Company has also transferred substantially all risks and rewards of ownership.

Gains and losses on de-recognition are recognised in the Income Statement

Other receivables

These are initially recognised at their fair value and subsequently measured at amortised cost. A provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote

Cash and cash equivalents

Cash comprises cash at bank and demand deposits. Cash equivalents are short-term, highly liquid investments with an original maturity date of three months or less.

EDGEWATER (BRIGHTON) LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

2 Accounting policies (continued)

Trade and other payables

Trade payables and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers and are initially recognised at fair value and subsequently measured at amortised cost.

Loans

Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial.

Revenue

Revenue is recognized 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 and value added tax.

Rental income is recognised over the period of the operating lease on a straight line basis.

Finance costs

Finance costs are recognized to the statement of comprehensive income over the term of the debt using the effective interest rate method. Issue costs are initially recognised as a reduction in the proceeds of the associated instrument.

Investment in subsidiary

The Company investment in its subsidiary is held at cost.

3 Investment property

	2021	2020
	£	£
Balance at end of year	350,000	350,000

The value freehold interest in Russell House Brighton was based on 125 year lease commencing 24 June 2017. Freehold valuation is based on industry standard, as 25 years of the freehold rental income.

4 Investment in subsidiary

	2021	2020
	£	£
Edgewater Brighton (Sub) Limited	8,804,855	10,511,300

The above Investment is represented by a loan to Edgewater Brighton (Sub) Limited.

5 Trade receivables

	2021	2020
	£	£
VAT	4,979	4,879
Income tax receivable	81,613	-
Other debtors	8,530	15,255
	95,122	20,134

EDGEWATER (BRIGHTON) LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	11,080	1,835
Other payables	-	12,475
Corporation tax payable	-	28,769
Accrued loan interest	14,502	24,200
Accruals and deferred income	65,158	89,584
	<u>90,740</u>	<u>156,863</u>

7 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	2,631,685	4,365,061
Unamortised loan issue costs	(79,381)	(109,686)
Shareholder loans	5,070,440	5,120,440
Interest on shareholder loans	256,988	189,909
	<u>7,879,732</u>	<u>9,565,724</u>

Shareholder loans comprise of both interest free and loans bearing interest at 7% per annum, and a deep discount bond made by the shareholders. These loans are subordinated to other creditors and are repayable. There was a repayment of £50,000 during the year.

The Company has a bank loan with Arbuthnot Latham & Co Limited which commenced on 23 October 2018. The loan is repayable on 23 October 2023. The Company pays interest based on a margin of 3.25% plus Bank of England base interest rate. The loan is secured by a debenture over the property and the Company's Rent and Deposit bank accounts.

8 Share capital

	2021	2020
	£	£
Allotted, called up and fully paid: 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

9 Average number of employees

During the year the average number of employees was 0 (2020: 0).

10 Ultimate controlling party

Labadi Limited is considered to be the ultimate controlling party due to having the largest shareholding in the Company.

11 Directors remuneration

The directors were not remunerated for the year ending 31 May 2021 (2020: nil).

12 Post balance sheet events

There are no post balance sheet events to report.