

Registered number: 10200999

**DOWNHAM ROAD LIMITED**

**UNAUDITED FINANCIAL  
STATEMENTS**

**PERIOD FROM 26 MAY 2016  
TO 31 JULY 2017**



**LUBBOCK FINE  
Chartered Accountants  
Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB**

## BALANCE SHEET

AS AT 31 JULY 2017

	Note	£	£
<b>Current assets</b>			
Stocks	4	3,978,413	
Debtors: amounts falling due within one year	5	199,513	
		<u>4,177,926</u>	
Creditors: amounts falling due within one year	6	(4,183,699)	
<b>Net current (liabilities)/assets</b>			(5,773)
<b>Net (liabilities)/assets</b>			<u>(5,773)</u>
<b>Capital and reserves</b>			
Called up share capital	7		2
Profit and loss account			<u>(5,775)</u>
			<u>(5,773)</u>

The financial statements 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.

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 statement of comprehensive income 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:



**Gerard Cunningham**  
Director

Date: 30/01/18

The notes on pages 2 to 6 form part of these financial statements.

# **DOWNHAM ROAD LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD ENDED 31 JULY 2017**

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#### **1. General information**

Downham Road Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. Its principal place of business is 34 Margery Street, London, WC1X 0JJ.

The financial statements are presented in sterling which is the functional currency of the company, and rounded to the nearest £.

These financial statements cover the period from incorporation on 26 May 2016 to 31 March 2017.

#### **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 Revenue**

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:

Revenue is recognised in the Profit and Loss account when the significant risks and rewards of ownership have been transferred to the purchaser. Revenue in respect of the sale of residential and commercial properties is recognised on legal completion or unconditional exchange.

Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the Balance Sheet date.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

##### **2.3 Land and building development costs**

Land and building development costs are accounted for as work in progress and are valued on the basis of direct costs plus attributable overheads including interest and any estimated losses on long term contracts directly linked to the overall development project. On completion of a development an assessment is made of any further costs which may be incurred by the company and an appropriate accrual or provision is made. Provision is made for foreseeable losses where appropriate. No element of profit is included in the valuation of land and buildings development costs.

## **DOWNHAM ROAD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2017**

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#### **2. Accounting policies (continued)**

##### **2.4 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than three months. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.6 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are 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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

**DOWNHAM ROAD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2017**

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**2. Accounting policies (continued)**

**2.7 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.8 Borrowing costs**

Interest is capitalised in land and buildings development costs where the loan is directly attributable to property development. Where not directly attributable, borrowing costs are charged to the Income Statement 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.

**2.9 Taxation**

Tax is recognised in the Statement of Comprehensive Income, 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.

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.

**3. Employees**

The average monthly number of employees during the year was nil (2016 - nil)

**4. Stocks**

	<b>2017</b>
	<b>£</b>
Land and building development costs	3,978,413

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2017**

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**5. Debtors**

	<b>2017</b> <b>£</b>
Amounts owed by group undertakings	192,647
Other debtors	6,866
	<u>199,513</u>

**6. Creditors: Amounts falling due within one year**

	<b>2017</b> <b>£</b>
Bank overdrafts	1,793
Trade creditors	1,350,614
Accruals and deferred income	2,831,292
	<u>4,183,699</u>

Included within accruals and deferred income is income of £1,061,485 which represents a payment on account and is secured by a way of a first legal mortgage over the development and a fixed charge over its share capital.

**7. Share capital**

	<b>2017</b> <b>£</b>
<b>Shares classified as equity</b>	
<b>Allotted, called up and fully paid</b>	
1 Ordinary A share of £1	1
1 Ordinary B share of £1	1
	<u>2</u>

On 26 May 2016 the company issued 1 ordinary £1 share at par. On the 25 August 2016 the ordinary share was redesignated to become an ordinary A share. On the same date 1 ordinary £1 B share was issued at par.

**DOWNHAM ROAD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2017**

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**8. Capital commitments**

At 31 July 2017 the Company had capital commitments as follows:

	<b>2017 £</b>
Contracted for but not provided in these financial statements	72,200

**9. Related party transactions**

During the year, the company entered into the following transactions, in the ordinary course of business, with related parties:

	<b>2017 £</b>
<b>Owners holding a participating interest in the entity</b>	
Amounts due from such entities	192,647
Amounts due to such entities	307,217
Purchases from such entities	258,022

The amounts are unsecured, interest free and repayable on demand.

**10. Ultimate parent undertaking**

The ultimate parent company is Thornsett Cunningham Holdings Limited, a company registered in Cyprus.

The parent undertaking of the smallest and largest group to consolidate the accounts of the company is Thornsett Group Plc whose registered office is 34 Margery Street, London, WC1X 0JJ. A copy of the group accounts can be obtained from Companies House.

**11. Auditors' information**

The full financial statements have been subject to audit and there were no qualifications or modifications to the audit report of the full financial statements. The audit was undertaken by Lubbock Fine Chartered Accountants & Statutory Auditors and the Senior Statutory Auditor was Lee Facey.