

# AK Expansion Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 March 2020

Sterlings Ltd  
Lawford House  
Albert Place  
London  
N3 1QA

# **AK Expansion Limited**

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# **AK Expansion Limited**

## **Company Information**

<b>Directors</b>	A M Conway K B Clements
<b>Registered office</b>	3RD Floor Lawford House Albert Place London N3 1QA
<b>Accountants</b>	Sterlings Ltd Lawford House Albert Place London N3 1QA

**AK Expansion Limited**  
**(Registration number: 11362321)**  
**Balance Sheet as at 31 March 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	181	241
Investment property	<u>5</u>	277,624	277,624
		<u>277,805</u>	<u>277,865</u>
<b>Current assets</b>			
Debtors	<u>6</u>	233	4,118
Cash at bank and in hand		5,831	222
		6,064	4,340
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	(88,237)	(86,448)
<b>Net current liabilities</b>		(82,173)	(82,108)
<b>Total assets less current liabilities</b>		195,632	195,757
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	(197,925)	(197,925)
<b>Net liabilities</b>		(2,293)	(2,168)
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		(2,393)	(2,268)
<b>Total equity</b>		<u>(2,293)</u>	<u>(2,168)</u>

The notes on pages 4 to 10 form an integral part of these financial statements.

## **AK Expansion Limited**

### **(Registration number: 11362321) Balance Sheet as at 31 March 2020**

For the financial year ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

#### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 26 June 2020 and signed on its behalf by:

.....

A M Conway

Director

The notes on pages 4 to 10 form an integral part of these financial statements.

# **AK Expansion Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

3RD Floor Lawford House  
Albert Place  
London  
N3 1QA  
United Kingdom

The principal place of business is:

5 Chigwell Grange  
High Road  
Chigwell  
Essex  
IG7 6BF

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Pounds Sterling, which is also the functional currency of the Company. Rounding of amounts shown in the financial statements is to the nearest Pound.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

The company has net current liabilities of the amount shown on the balance sheet. However the directors have given assurances that they will continue to support the company for the foreseeable future. On this basis the directors consider that it is appropriate to prepare the accounts on a going concern basis. The accounts do not include any adjustments that would result from a withdrawal of this support.

# **AK Expansion Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020**

### **Judgements**

In the application of the Company's accounting policies, which are described above, management is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on judgement and experience together with any other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and any underlying assumptions used are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current period and subsequent periods.

### **Key sources of estimation uncertainty**

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Valuation of freehold land and buildings held as investment properties

As discussed in the notes to the financial statements, freehold land and buildings held as investment property are stated at fair value on an open market existing use basis. This policy requires that a reasonable assessment of fair value is capable of being made and that market value reflects fair value. The carrying amount is £277,624 (2019 -£277,624).

### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

### **Tax**

The tax expense for the period comprises corporation tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

# **AK Expansion Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020**

### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures and fittings	25% reducing balance

### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



# **AK Expansion Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020**

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

### **Financial instruments**

#### ***Classification***

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### ***Recognition and measurement***

A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument with initial measurement being at the transaction price.

#### ***Impairment***

Financial assets are assessed for indications of impairment at the end of each accounting period. They are considered to be impaired when there is evidence that the estimated future cash flows of the asset have been affected.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 2 (2019 - 2).

# AK Expansion Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 4 Tangible assets

	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 April 2019	321	321
At 31 March 2020	321	321
<b>Depreciation</b>		
At 1 April 2019	80	80
Charge for the year	60	60
At 31 March 2020	140	140
<b>Carrying amount</b>		
At 31 March 2020	181	181
At 31 March 2019	241	241

### 5 Investment properties

	2020 £
At 1 April	277,624
At 31 March	277,624

### 6 Debtors

	2020 £	2019 £
Trade debtors	-	3,892
Prepayments	233	226
	233	4,118

# AK Expansion Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 7 Creditors

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

	2020 £	2019 £
<b>Due within one year</b>		
Trade creditors	13	-
Accruals and deferred income	1,200	1,440
Other creditors	87,024	85,008
	<u>88,237</u>	<u>86,448</u>

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

	Note	2020 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	9	<u>197,925</u>	<u>197,925</u>

	2020 £	2019 £
<b>Due after more than five years</b>		
After more than five years not by instalments	197,925	197,925
	<u>197,925</u>	<u>197,925</u>

### 8 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary A shares of £1 each	50	50	50	50
Ordinary B shares of £1 each	50	50	50	50
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The 'A' and 'B' ordinary shares rank pari passu except for entitlements to dividends which can vary.

# AK Expansion Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 9 Loans and borrowings

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>197,925</u>	<u>197,925</u>

#### Bank borrowings

The bank loan was denominated in Pounds Sterling with a nominal interest rate of 3.39% for the first two years and 6.83% thereafter. The final instalment is due in November 2043. The carrying amount at the period end is £197,925.

The bank loan was secured by a fixed charge over the investment property owned by the company.

The interest on the loan is repayable by monthly instalments over the 25 year total period of the loan with the principal repayable in full at the end of the mortgage term.

### 10 Related party transactions

During the period the company made the following related party transactions:

A M Conway (Director):

A M Conway had a loan account with the company during the period. No interest was applicable to this loan account and it is repayable on demand. The amount is included in other creditors within current liabilities. At the balance sheet date the amount due to A M Conway was £16,850 (2019: £16,325).

K B Clements (Director):

K B Clements had a loan account with the company during the period. No interest was applicable to this loan account and it is repayable on demand. The amount is included in other creditors within current liabilities. At the balance sheet date the amount due to K B Clements was £69,251 (2019: £68,683).

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.