

BLUENOTCH LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 APRIL 2020

BLUENOTCH LIMITED

COMPANY INFORMATION

DIRECTORS

Mark Pears CBE
Sir Trevor Pears CMG
David Pears
WPG Registrars Limited

COMPANY SECRETARY

William Bennett

REGISTERED NUMBER

01124571

REGISTERED OFFICE

Ground Floor
30 City Road
London
EC1Y 2AB

BLUENOTCH LIMITED

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BLUENOTCH LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 APRIL 2020

The directors present their report and the financial statements for the period ended 30 April 2020.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

PRINCIPAL ACTIVITY

The principal activity of the company is property investment.

DIRECTORS

The directors who served during the period were:

Mark Pears CBE
Sir Trevor Pears CMG
David Pears
WPG Registrars Limited

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

William Bennett
Secretary

Date: 25 January 2021

BLUENOTCH LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2020

		1 August 2019 to 30 April 2020 £	31 July 2019 £
	Note		
Turnover		194,658	327,351
Cost of sales		(83,149)	(101,694)
GROSS PROFIT		111,509	225,657
Administrative expenses		(242,719)	(47,266)
Profit on sale of investment properties	3	2,053	11,088
Fair value movements	6	(545,094)	-
Other operating income		-	13,377
OPERATING (LOSS)/PROFIT		(674,251)	202,856
Interest receivable and similar income		3,942	5,178
Interest payable and similar charges		-	(1,360)
(LOSS)/PROFIT BEFORE TAX		(670,309)	206,674
Tax on (loss)/profit	5	79,147	(55,544)
(LOSS)/PROFIT FOR THE YEAR		(591,162)	151,130
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(591,162)	151,130

The notes on pages 6 to 13 form part of these financial statements.

BLUENOTCH LIMITED
REGISTERED NUMBER: 01124571

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2020

	Note	30 April 2020 £	31 July 2019 £
FIXED ASSETS			
Investment property	6	5,563,617	6,354,000
		<u>5,563,617</u>	<u>6,354,000</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	511,215	17,773
Cash at bank and in hand		34,135	322,690
		<u>545,350</u>	<u>340,463</u>
Creditors: amounts falling due within one year	8	(564,850)	(80,037)
		<u>(19,500)</u>	<u>260,426</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(19,500)</u>	<u>260,426</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,544,117</u>	<u>6,614,426</u>
PROVISIONS FOR LIABILITIES			
Deferred tax	9	(397,714)	(476,861)
		<u>(397,714)</u>	<u>(476,861)</u>
NET ASSETS		<u><u>5,146,403</u></u>	<u><u>6,137,565</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Investment property revaluation reserve	11	2,036,872	2,807,502
Profit and loss account	11	3,109,431	3,329,963
TOTAL EQUITY		<u><u>5,146,403</u></u>	<u><u>6,137,565</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the 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:

David Pears

Director

Date: 25 January 2021

The notes on pages 6 to 13 form part of these financial statements.

BLUENOTCH LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2020

	Share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2019	100	2,807,502	3,329,963	6,137,565
COMPREHENSIVE INCOME FOR THE PERIOD				
Loss for the period	-	-	(591,162)	(591,162)
Transfer realised gains to retained earnings	-	(304,683)	304,683	-
Deferred tax movements	-	79,147	(79,147)	-
Transfer revaluation during the year	-	(545,094)	545,094	-
OTHER RESERVE MOVEMENT FOR THE YEAR	-	(770,630)	770,630	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(770,630)	179,468	(591,162)
Dividends: Equity capital	-	-	(400,000)	(400,000)
AT 30 APRIL 2020	<u>100</u>	<u>2,036,872</u>	<u>3,109,431</u>	<u>5,146,403</u>

The notes on pages 6 to 13 form part of these financial statements.

BLUENOTCH LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2019

	Share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2018	100	2,808,847	4,327,488	7,136,435
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	151,130	151,130
Deferred tax movements	-	(731)	731	-
Transfer realised gains to retained earnings	-	(614)	614	-
OTHER RESERVE MOVEMENTS FOR THE YEAR	-	(1,345)	1,345	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(1,345)	152,475	151,130
Dividends	-	-	(1,150,000)	(1,150,000)
AT 31 JULY 2019	<u>100</u>	<u>2,807,502</u>	<u>3,329,963</u>	<u>6,137,565</u>

The notes on pages 6 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020**

1. GENERAL INFORMATION

Bluenotch Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ground Floor, 30 City Road, London EC1Y 2AB. The principal place of business is Haskell House, 152 West End Lane, London, NW6 1SD.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is GBP and rounded to the nearest £1.

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 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the rents receivable.

2.4 Property transactions

Purchases and sales of properties are included on the basis of completions occurring during the year.

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the income statement.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES (continued)

2.7 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 24 hours. 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.

2.8 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.10 Creditors

Short term creditors are measured at the transaction price.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020**

2. ACCOUNTING POLICIES (continued)

2.11 Repairs and maintenance

All repairs, maintenance costs and renewals are written off as incurred.

Certain refurbishment costs which are part of major property refurbishment programmes may, depending on the nature of the works being undertaken, be capitalised in the Statement of financial position as part of investment properties.

2.12 Finance costs

Finance 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.

2.13 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES (continued)

2.15 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. PROFIT ON SALE OF INVESTMENT PROPERTIES

	1 August 2019 to 30 April 2020 £	31 July 2019 £
Sale of investment properties	460,358	24,088
Historical cost	(153,622)	(12,386)
	<hr/>	<hr/>
	306,736	11,702
Prior years fair value surplus realised	(304,683)	(614)
	<hr/>	<hr/>
	<u>2,053</u>	<u>11,088</u>

4. EMPLOYEES

The average monthly number of employees, including the directors, during the period was as follows:

	30 April 2020 No.	31 July 2019 No.
Directors	<u>3</u>	<u>1</u>

BLUENOTCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020

5. TAXATION

	1 August 2019 to 30 April 2020 £	31 July 2019 £
CORPORATION TAX		
Current tax on profits for the year	-	42,423
Adjustments in respect of previous periods	-	12,390
	-	54,813
TOTAL CURRENT TAX	-	54,813
DEFERRED TAX		
Origination and reversal of timing differences	(79,147)	731
TOTAL DEFERRED TAX	(79,147)	731
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	(79,147)	55,544

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD/YEAR

The tax assessed for the period/year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	1 August 2019 to 30 April 2020 £	31 July 2019 £
(Loss)/profit on ordinary activities before tax	(670,309)	206,674
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(127,359)	39,268
EFFECTS OF:		
Adjustments to tax charge in respect of prior periods	-	12,390
Timing difference leading to a (decrease)/ increase in taxation	(79,147)	731
Book profit on chargeable assets	(390)	-
Capital gains	8,894	-
Unrelieved tax losses carried forward	15,286	-
Other differences leading to an increase in the tax charge	-	3,155
Valuation loss not taxable	103,569	-
TOTAL TAX CHARGE FOR THE YEAR	(79,147)	55,544

BLUENOTCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020

6. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 August 2019	6,354,000
Additions at cost	213,016
Disposals	(458,305)
Fair value movements	(545,094)
At 30 April 2020	5,563,617

The 2020 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	30 April 2020 £	31 July 2019 £
Historic cost	3,129,031	3,069,637
	<u>3,129,031</u>	<u>3,069,637</u>

7. DEBTORS

	30 April 2020 £	31 July 2019 £
Trade debtors	6,663	12,818
Other debtors	499,372	4,955
Prepayments and accrued income	5,180	-
	<u>511,215</u>	<u>17,773</u>

BLUENOTCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020

8. CREDITORS: Amounts falling due within one year

	30 April 2020 £	31 July 2019 £
Amounts owed to group undertakings	213,993	-
Corporation tax	52,797	54,813
Other creditors	16,222	11,637
Accruals and deferred income	281,838	13,587
	<u>564,850</u>	<u>80,037</u>

9. DEFERRED TAXATION

	30 April 2020 £	31 July 2019 £
At beginning of year	476,861	476,130
(Released)/charged to profit or loss	(79,147)	731
AT END OF YEAR	<u>397,714</u>	<u>476,861</u>

The provision for deferred taxation is made up as follows:

	30 April 2020 £	31 July 2019 £
Tax on revaluation on investment properties	397,714	476,861
	<u>397,714</u>	<u>476,861</u>

10. SHARE CAPITAL

	30 April 2020 £	31 July 2019 £
Allotted, called up and fully paid		
100 (2019 - 100) ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2020

11. RESERVES

Investment property revaluation reserve

The investment property revaluation reserve includes all current and prior year movements.

Profit and loss account

The profit and loss account includes all current and prior year retained profit and losses.

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions from disclosure available to subsidiary undertakings under FRS102 Section 1A, paragraph 1 AC.35 in connection with intra group transactions.

The company received estate agents services from a partnership in which the directors Mark Pears CBE, Sir Trevor Pears CMG and David Pears have an interest, the cost of which amounted to £9,846 (2019 - £NIL).

The company received management services from CHP Management Limited, a company in which the directors Mark Pears CBE, Sir Trevor Pears CMG and David Pears have an interest, the cost of which amounted to £2,400 (2019 - £NIL).

The company received management services from Hamways Limited, a company in which the directors Mark Pears CBE, Sir Trevor Pears CMG and David Pears have an interest, the cost of which amounted to £225,600 (2019 - £NIL).

The company received management services from The William Pears Group of Companies Limited, a company in which the directors Mark Pears CBE, Sir Trevor Pears CMG and David Pears have an interest, the cost of which amounted to £10,800 (2019 - £NIL).

13. CONTROLLING PARTY

The ultimate parent company is Pears Family Investments Limited a company incorporated in England. The registered office is Ground Floor, 30 City Road, London, EC1Y 2AB.

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.