

Financial Statements

Iverna Investments Limited

For the year ended 31 March 2017



Registered number: 00551844

Company Information

Directors	D Reiss E Bond M Reiss C Geller
Company secretary	M Reiss
Registered number	00551844
Registered office	9 De Walden Court 85 New Cavendish Street London W1W 6XD
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	National Westminster Bank Plc 125 Great Portland Street London W1A 1GA

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Directors' report

For the year ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Principal activities

The company is principally engaged in property investment.

Directors

The directors who served during the year were:

D Reiss
E Bond
M Reiss
C Geller

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 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.

Charitable contributions

Donations to charitable organisations amounted to £6,329 (2016: £6,449).

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report (continued)

For the year ended 31 March 2017

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 on 5th June 2017 and signed on its behalf.



M Reiss
Director



Independent auditor's report to the members of Iverna Investments Limited

We have audited the financial statements of Iverna Investments Limited for the year ended 31 March 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Section 1 Small entities 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.



Independent auditor's report to the members of Iverna Investments Limited (continued)

Basis for qualified opinion on financial statements

Certain tangible fixed assets shown on the Statement of Financial Position include investment properties carried at a historic cost of £523,766 (2016: £523,766). In our opinion, this constitutes a departure from the requirements of FRS 102 Section 16 which requires investment properties to be included in the Statement of Financial Position at their open market value. As a result of Investment properties being carried at historical cost, deferred tax can not be recognised on the fair value movement of the properties in line with FRS 102 Section 29. We are unable to quantify the effect of this matter on the financial statements for the year ended 31 March 2017.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.



Independent auditor's report to the members of Iverna Investments Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Elizabeth Collins (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

London Euston

Date:

5 June 2017

Statement of comprehensive income

For the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover		590,072	581,206
Cost of sales		(487,948)	(554,325)
Gross profit		102,124	26,881
Administrative expenses		(152,454)	(125,239)
Operating loss	5	(50,330)	(98,358)
Income from shares held in group undertakings		333,889	258,889
Interest receivable and similar income	8	29,653	19,955
Profit before tax		313,212	180,486
Tax on profit	9	(26,354)	(4,151)
Profit for the financial year		286,858	176,335
Other comprehensive income for the year		-	-
Total comprehensive income for the year		286,858	176,335

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 9 to 16 form part of these financial statements.

Statement of financial position

As at 31 March 2017

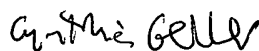
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	1,024,857	1,117,006
Investments	12	19,408	19,408
		<u>1,044,265</u>	<u>1,136,414</u>
Current assets			
Debtors: amounts falling due within one year	13	29,500	37,553
Cash at bank and in hand	14	567,451	412,195
		<u>596,951</u>	<u>449,748</u>
Creditors: amounts falling due within one year	15	(548,261)	(530,065)
Net current assets/(liabilities)		<u>48,690</u>	<u>(80,317)</u>
Total assets less current liabilities		<u>1,092,955</u>	<u>1,056,097</u>
Net assets		<u>1,092,955</u>	<u>1,056,097</u>
Capital and reserves			
Called up share capital	17	60,000	60,000
Capital redemption reserve	18	76,553	76,553
Profit and loss account	18	956,402	919,544
Shareholders' funds		<u>1,092,955</u>	<u>1,056,097</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 were approved and authorised for issue by the board and were signed on its behalf by:



M Reiss
Director



C Geller
Director

Date: 5th June 2017

The notes on pages 9 to 16 form part of these financial statements.

Statement of changes in equity

For the year ended 31 March 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	60,000	76,553	919,544	1,056,097
Comprehensive income for the year				
Profit for the year	-	-	286,858	286,858
Total comprehensive income for the year	-	-	286,858	286,858
Dividends: Equity capital	-	-	(250,000)	(250,000)
Total transactions with owners	-	-	(250,000)	(250,000)
At 31 March 2017	60,000	76,553	956,402	1,092,955

Statement of changes in equity

For the year ended 31 March 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	60,000	76,553	963,209	1,099,762
Comprehensive income for the year				
Profit for the year	-	-	176,335	176,335
Total comprehensive income for the year	-	-	176,335	176,335
Dividends: Equity capital	-	-	(220,000)	(220,000)
Total transactions with owners	-	-	(220,000)	(220,000)
At 31 March 2016	60,000	76,553	919,544	1,056,097

The notes on pages 9 to 16 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2017

1. General information

Iverna Investments Limited is a private company limited by shares, registered and incorporated in England. The company's registered office is 9 De Walden Court, 85 New Cavendish Street, London, W1W 6XD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 individual accounts of Iverna Investments Limited have also adopted the group reporting exemption for small groups in line with the Companies Act.

The year ended 31 March 2017 is the first year the financial statements have been prepared under FRS 102 Section 1A applicable to smaller entities. Refer to Note 22 for explanation of transition.

The presentation and functional currency of the company is Sterling (£).

The following principal accounting policies have been applied:

2.2 Revenue

Turnover is the total amount receivable by the company in the ordinary course of business from the rental of properties.

The cost of lease incentives is offset against the total rents due and the net income is then spread evenly over the duration of the lease.

2.3 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Motor vehicles	- reducing balance basis at 25% per annum
Fixtures & fittings	- reducing balance basis at 25% per annum

Investment properties are included at cost as explained in note 11 to the financial statements. Depreciation is not provided in respect of freehold investment properties.

Provision is made in the profit and loss account for any permanent diminution in value of investment properties.

2.4 Disposal of investment properties

Profits and losses on the disposal of investment properties, after any taxation arising thereon, although distributable are regarded by the directors as being of a capital nature.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.5 Taxation

Current tax is provided at amounts to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

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.

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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 to related parties and investments in non-puttable ordinary shares.

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.

2.9 Investments

Investments are included at cost less amounts written off.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.10 Income from fixed asset investments

Dividend income from fixed asset investments is accounted for on a received basis.

2.11 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 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.

2.13 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no material judgments or estimates in preparation of these financial statements.

4. Dividend income

	2017 £	2016 £
Dividend income received from fixed asset investments	<u>333,889</u>	<u>258,889</u>

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	167,031	105,625
Auditor's remuneration	<u>6,705</u>	<u>7,768</u>

6. Employees

The average monthly number of employees, including directors, during the year was 1 (2016 - 1).

Notes to the financial statements

For the year ended 31 March 2017

7. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	26,000	26,000

8. Interest receivable and similar income

	2017	2016
	£	£
Bank interest receivable	653	955
Service charges	29,000	19,000
	29,653	19,955

9. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	26,354	4,151

10. Dividends

	2017	2016
	£	£
Equity dividends paid during the year on ordinary shares	250,000	220,000

Notes to the financial statements

For the year ended 31 March 2017

11. Tangible fixed assets

	Investment properties £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 April 2016	523,766	26,210	1,137,225	1,687,201
Additions	-	-	74,882	74,882
At 31 March 2017	523,766	26,210	1,212,107	1,762,083
Depreciation				
At 1 April 2016	-	19,990	550,205	570,195
Charge for the period on owned assets	-	1,555	165,476	167,031
At 31 March 2017	-	21,545	715,681	737,226
Net book value				
At 31 March 2017	523,766	4,665	496,426	1,024,857
At 31 March 2016	523,766	6,220	587,020	1,117,006

The investment properties are included in the Statement of Financial Position at cost. FRS 102 Section 16 states that investment properties should be included at their open market values. Although the directors are aware that the market values may exceed cost they do not consider that the time and expense involved in an external valuation of the properties would be merited, and in their opinion any such valuation would serve no practical purpose. As a result of Investment properties being carried at historical cost, deferred tax can not be recognised on the fair value movement of the properties in line with FRS 102 Section 29.

12. Fixed asset investments

	Shares in participating interests £
At 1 April 2016	19,408
At 31 March 2017	19,408
At 31 March 2016	19,408

Notes to the financial statements

For the year ended 31 March 2017

12. Fixed asset investments (continued)

At 31 March 2017 the company held more than 20% of the allotted ordinary share capital of the following companies, registered in England and Wales:

	Aggregate capital and reserves £	Profit for the year £
25% Cowley Street Investments (Westminster) Limited	972,853	195,491
50% Ralwood Securities Limited	2,470,552	482,276
50% Thorngate Holdings Limited	166,174	7,217
50% Thornmead Holdings Limited	144,422	19,588
50% Thornmead Investments Limited	807,092	20,927
22% Woodmond Securities Limited	229,930	254,284
	<u>4,791,023</u>	<u>979,783</u>

The directors are of the opinion that the aggregate value of the company's interest in these undertakings is not less than the aggregate at which they are included in the company's balance sheet. The accounts of all the above undertakings have a qualified audit report because of the inclusion of investment properties at cost. This is not in accordance with the FRS 102 Section 16.

13. Debtors

	2017 £	2016 £
Prepayments and accrued income	<u>29,500</u>	<u>37,553</u>

14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>567,451</u>	<u>412,195</u>

Notes to the financial statements

For the year ended 31 March 2017

15. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Corporation tax	27,000	6,000
Accruals and deferred income	119,013	122,275
PAYE and social security	2,209	1,751
Directors' loan accounts	400,039	400,039
	<u>548,261</u>	<u>530,065</u>

16. Related party transactions

During the year the company was charged managing agents' commission of £6,000 (2016: £6,000) by C Geller. At the year end, £3,000 (2016: £3,000) was outstanding.

The directors' loan account balances outstanding at the year end were £400,039 (2016: £400,439). No interest is being charged on these loan balances.

The company was charged accountancy, secretarial and office management fees of £10,000 (2016: £10,000) by Holland Reiss & Co, a firm owned by M Reiss. The amount outstanding at the year end was £10,000 (2016: £10,000).

The company was charged management fees and letting commission of £27,000 (2016: £15,000) by S & J Management Limited, a company owned by S Reiss, the wife of M Reiss, of which £nil (2016: £nil) is outstanding at the year end.

The company levied service charges of £29,000 (2016: £19,000) on Ralwood Securities Limited, a related undertaking. This balance is due at the year end (2016: £19,000).

The company was charged £8,000 (2016: £0) by Martin Reiss a director of the company, for a set of antique chairs, of which £nil (2016: £nil) was outstanding at year end.

17. Share capital

	2017	2016
	£	£
Authorised, allotted, called up and fully paid		
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

Notes to the financial statements

For the year ended 31 March 2017

18. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit & loss account

Includes all current and prior period retained profit and losses.

19. Capital commitments

The company had no capital commitments at 31 March 2017 or 31 March 2016.

20. Contingent liabilities

There were no contingent liabilities at 31 March 2017 or 31 March 2016.

21. Controlling party

There is not deemed to be an ultimate controlling party.

22. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.