

**CAPITAL ESTATES LIMITED**

**DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**PAGES FOR FILING WITH REGISTRAR**

**FOR THE YEAR ENDED 28 FEBRUARY 2018**

**Company Registration No. 00561028 (England and Wales)**

**BALANCE SHEET**  
**AS AT 28 FEBRUARY 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	4	54,178	48,662
Investment property	5	6,669,781	6,281,147
		<u>6,723,959</u>	<u>6,329,809</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	2,000	62,702
Cash at bank and in hand	7	447,268	791,145
		<u>449,268</u>	<u>853,847</u>
Creditors: amounts falling due within one year	8	(109,412)	(99,891)
		<u></u>	<u></u>
<b>Net current assets</b>		<u>339,856</u>	<u>753,956</u>
<b>Total assets less current liabilities</b>		<u>7,063,815</u>	<u>7,083,765</u>
<b>Provisions for liabilities</b>			
Deferred taxation	9	(925,484)	(979,949)
		<u>(925,484)</u>	<u>(979,949)</u>
		<u></u>	<u></u>
<b>Net assets</b>		<u><u>6,138,331</u></u>	<u><u>6,103,816</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	10,000	10,000
Investment property reserve		4,288,057	4,363,161
Profit and loss account		1,840,274	1,730,655
		<u>6,138,331</u>	<u>6,103,816</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 year in question in accordance with section 476 of 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 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.

**BALANCE SHEET (CONTINUED)**  
**AS AT 28 FEBRUARY 2018**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**Mr Dalip Singh Boora**

Director

Date: 17 December 2018

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

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# CAPITAL ESTATES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2018

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	Called up share capital	Investment property reserves	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 March 2016</b>	10,000	4,341,502	1,664,086	6,015,588
Profit for the year	-	-	188,228	188,228
Dividends: Equity capital	-	-	(100,000)	(100,000)
Transfer to/from profit and loss account	-	21,659	(21,659)	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 1 March 2017</b>	10,000	4,363,161	1,730,655	6,103,816
Profit for the year	-	-	127,515	127,515
Dividends: Equity capital	-	-	(93,000)	(93,000)
Transfer to/from profit and loss account	-	(75,104)	75,104	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 28 February 2018</b>	<u>10,000</u>	<u>4,288,057</u>	<u>1,840,274</u>	<u>6,138,331</u>

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

# **CAPITAL ESTATES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

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### **1. General information**

Capital Estates Limited is a private company limited by share capital, registered in England and Wales, registration number 00561028. The address of the registered office is 130 Whitechapel Road, London, E1 1JE.

### **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 following principal accounting policies have been applied:

#### **2.2 Revenue**

Revenue 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. 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:

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **2.3 Interest income**

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

#### **2.4 Finance costs**

Finance costs are charged to the statement of comprehensive income 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.

# **CAPITAL ESTATES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

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

#### **2.5 Pensions**

##### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### **2.6 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 balance sheet date.

#### **2.7 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

# CAPITAL ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

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### 2. Accounting policies (continued)

#### 2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	15%	reducing balance
Fixtures and fittings	-	25%	reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

#### 2.8 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 statement of comprehensive income.

Annual transfers are made between the profit and loss account and the investment property reserve to the value of any gains or losses recognised in respect of investment properties in the year. These gains are not distributable until such time that the properties are sold. At the point that these gains or losses are realised the company will make a transfer from the investment property reserve to the profit and loss account in the sum of the realised gain or loss.

#### 2.9 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.

#### 2.10 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.

#### 2.11 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.

# **CAPITAL ESTATES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

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

#### **2.12 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 balance sheet 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 balance sheet.

#### **2.13 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the 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.

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.

#### **2.14 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.

### **3. Employees**

The average monthly number of employees, including directors, during the year was 7 (2017 - 8).



# CAPITAL ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

### 4. Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 March 2017	57,253	56,584	113,837
Additions	24,689	-	24,689
Disposals	(20,563)	-	(20,563)
At 28 February 2018	61,379	56,584	117,963
<b>Depreciation</b>			
At 1 March 2017	21,953	43,222	65,175
Charge for the year on owned assets	7,047	3,345	10,392
Disposals	(11,782)	-	(11,782)
At 28 February 2018	17,218	46,567	63,785
<b>Net book value</b>			
At 28 February 2018	44,161	10,017	54,178
<b>At 28 February 2017</b>	35,300	13,362	48,662

### 5. Investment property

	Freehold investment property
	£
<b>Valuation</b>	
At 1 March 2017	6,281,147
Additions at cost	518,203
Surplus on revaluation	(129,569)
<b>At 28 February 2018</b>	6,669,781

The 2018 valuations were made by Mr D Boora, the director, on an open market value for existing use basis.

# CAPITAL ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

### 6. Debtors

	2018 £	2017 £
Trade debtors	2,000	22,096
Other debtors	-	427
Prepayments and accrued income	-	40,179
	<u>2,000</u>	<u>62,702</u>

### 7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>447,268</u>	<u>791,145</u>

Cash at bank and in hand is measured at fair value, which is calculated as amounts held on deposit at banks employed by the company less any impairments. No impairments to cash balance have been made in these financial statements as all cash deposits are held at credible financial institutions.

### 8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Corporation tax	35,299	40,522
Other taxation and social security	2,253	1,886
Other creditors	42,950	30,297
Accruals and deferred income	28,910	27,186
	<u>109,412</u>	<u>99,891</u>

### 9. Deferred taxation

	2018 £	2017 £
At beginning of year	(979,949)	(1,001,608)
Charged to profit or loss	54,465	21,659
<b>At end of year</b>	<u>(925,484)</u>	<u>(979,949)</u>

# CAPITAL ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

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### 9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Deferred tax on fair value movements on investment property	<u>925,484</u>	<u>979,949</u>

### 10. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
10,000 (2017 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

### 11. Pension commitments

The company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,800 (2017: £1,800).

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.