

Company Registration No. 00734610 (England and Wales)

**SCRUTTON ESTATES LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2020**  
**PAGES FOR FILING WITH REGISTRAR**

**SCRUTTON ESTATES LIMITED**

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# SCRUTTON ESTATES LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	3	91,377,706		91,389,223	
Investments	4	6,338,917		5,672,946	
		<u>97,716,623</u>		<u>97,062,169</u>	
<b>Current assets</b>					
Stocks		8,368		8,368	
Debtors	5	322,053		323,251	
Cash at bank and in hand		383,625		209,426	
		<u>714,046</u>		<u>541,045</u>	
<b>Creditors: amounts falling due within one year</b>	6	(214,115)		(165,365)	
<b>Net current assets</b>		<u>499,931</u>		<u>375,680</u>	
<b>Total assets less current liabilities</b>		<u>98,216,554</u>		<u>97,437,849</u>	
<b>Provisions for liabilities</b>	7	(12,857,150)		(13,012,226)	
<b>Net assets</b>		<u>85,359,404</u>		<u>84,425,623</u>	
<b>Capital and reserves</b>					
Called up share capital	8	133,886		133,886	
Capital redemption reserve		18,648		18,648	
Other reserves		567,247		567,247	
Profit and loss reserves		84,639,623		83,705,842	
<b>Total equity</b>		<u>85,359,404</u>		<u>84,425,623</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 April 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

## **SCRUTTON ESTATES LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 30 APRIL 2020***

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The financial statements were approved by the board of directors and authorised for issue on 8 September 2020 and are signed on its behalf by:

Mr C B Scrutton  
**Director**

**Company Registration No. 00734610**

# SCRUTTON ESTATES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2020

	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 May 2018</b>	133,886	18,648	567,247	82,445,394	83,165,175
<b>Balance at 1 May 2018</b>	133,886	18,648	567,247	82,445,394	83,165,175
<b>Year ended 30 April 2019:</b>					
Profit and total comprehensive income for the year	-	-	-	1,711,095	1,711,095
Dividends	-	-	-	(450,647)	(450,647)
<b>Balance at 30 April 2019</b>	133,886	18,648	567,247	83,705,842	84,425,623
<b>Year ended 30 April 2020:</b>					
Profit and total comprehensive income for the year	-	-	-	1,384,428	1,384,428
Dividends	-	-	-	(450,647)	(450,647)
<b>Balance at 30 April 2020</b>	133,886	18,648	567,247	84,639,623	85,359,404

# SCRUTTON ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2020**

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### **1 Accounting policies**

#### **Company information**

Scrutton Estates Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Cambus Road, London, E16 4AY.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 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 the financial statements.

#### **1.3 Turnover**

Turnover represents amounts receivable for services supplied net of VAT and trade discounts.

Turnover from the supply of services represents the value of services provided under the contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided the amounts are recorded as deferred income and included as part of creditors due within one year.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Investment properties	Not depreciated
Plant and machinery	25% Straight line
Fixtures, fittings & equipment	25% Straight line
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

# SCRUTTON ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

(Continued)

#### 1.5 Fixed asset investments

Fixed asset investments relate to listed investments and are included at fair value.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### 1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

# SCRUTTON ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.10 Taxation

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# SCRUTTON ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	7	7

### 3 Tangible fixed assets

	Investment properties	Plant and machinery etc	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 May 2019	91,369,293	138,868	91,508,161
Additions	-	744	744
At 30 April 2020	91,369,293	139,612	91,508,905
<b>Depreciation and impairment</b>			
At 1 May 2019	-	118,939	118,939
Depreciation charged in the year	-	12,260	12,260
At 30 April 2020	-	131,199	131,199
<b>Carrying amount</b>			
At 30 April 2020	91,369,293	8,413	91,377,706
At 30 April 2019	91,369,293	19,930	91,389,223

The investment properties were revalued on 1 July 2017 by McDowalls Independent Chartered Surveyors (RICS member) who are not connected with the company. The basis of valuation used was existing market knowledge of values, taking into account existing tenancies.

The directors carried out a review of the investments properties as at 30 April 2020 using existing market knowledge of values, taking into account existing tenancies. The directors concluded that the carrying amount has not materially changed from the amount noted above and therefore no change in the carrying amount to be reflected in the financial statements as at 30 April 2020.

# SCRUTTON ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 3 Tangible fixed assets (Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020 £	2019 £
Cost	9,290,692	9,290,692
Accumulated depreciation	-	-
Carrying value	<u>9,290,692</u>	<u>9,290,692</u>

### 4 Fixed asset investments

	2020 £	2019 £
Other investments other than loans	<u>6,338,917</u>	<u>5,672,946</u>

#### Fixed asset investments revalued

Fixed asset investments are made up of listed investments shown at their market value. The book costs of the investments are £5,888,601 (2019: £4,865,507).

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 May 2019	5,672,946
Additions	996,708
Valuation changes	(330,737)
At 30 April 2020	<u>6,338,917</u>
<b>Carrying amount</b>	
At 30 April 2020	<u>6,338,917</u>
At 30 April 2019	<u>5,672,946</u>

# SCRUTTON ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 5 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	298,107	289,143
Other debtors	23,946	34,108
	<u>322,053</u>	<u>323,251</u>

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

	2020	2019
	£	£
Trade creditors	26,247	8,029
Corporation tax	168,286	135,728
Other taxation and social security	9,497	11,991
Other creditors	10,085	9,617
	<u>214,115</u>	<u>165,365</u>

### 7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
	£	£
<b>Balances:</b>		
Accelerated capital allowances	1,369	2,740
Investment property	12,868,803	12,936,342
Investments	(13,022)	73,144
	<u>12,857,150</u>	<u>13,012,226</u>
<b>Movements in the year:</b>		2020
		£
Liability at 1 May 2019		13,012,226
Credit to profit or loss		(155,076)
Liability at 30 April 2020		<u>12,857,150</u>

## SCRUTTON ESTATES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

#### 8 Called up share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
36,284 'A' ordinary shares of £1 each	36,284	36,284
32,534 'B' ordinary shares of £1 each	32,534	32,534
32,534 'C' ordinary shares of £1 each	32,534	32,534
32,534 'D' ordinary shares of £1 each	32,534	32,534
	<u>133,886</u>	<u>133,886</u>

##### Ordinary 'A' Shares

The ordinary 'A' shares carry an entitlement to a dividend, the amount being at the discretion of the company. On winding up, the holders of the ordinary 'A' shares are entitled to a return of capital up to the aggregate (in respect of each share) of the nominal value of each held by them and the sum of £183. The ordinary 'A' shares carry 100% of the voting rights.

##### Ordinary 'B' Shares

Ordinary 'B' shares carry no entitlement to dividends. On winding up, the holders of the ordinary 'B' shares are entitled to a return of capital up to the aggregate (in respect of each share) of the nominal value of each share held by them and the sum of £815. These rights only apply after the holders of the ordinary 'A' shares have been paid in full. The ordinary 'B' shares carry no voting rights.

##### Ordinary 'C' Shares

Ordinary 'C' shares carry no entitlement to dividends. On winding up, the holders of the ordinary 'C' shares are entitled to a return of capital up to the aggregate (in respect of each share) of the nominal value of each share held by them and the sum of £2,425. These rights only apply after the holders of the ordinary 'A' shares and ordinary 'B' shareholders have been paid in full. The ordinary 'C' shares carry no voting rights.

##### Ordinary 'D' Shares

The ordinary 'D' shares carry no entitlement to dividends. On winding up, the holders of ordinary 'D' shares are entitled to 100% of any remaining surplus after amounts due to ordinary 'A' shares, and ordinary 'B' and 'C' shareholders. The ordinary 'D' shares carry no voting rights.

#### 9 Directors' transactions

Dividends totalling £450,647 (2019 - £450,647) were paid in the year in respect of shares held by the company's directors.

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