

Company Registration No. 00877662 (England and Wales)

AARON RADIATOR PROPERTY COMPANY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017
PAGES FOR FILING WITH REGISTRAR

AARON RADIATOR PROPERTY COMPANY LTD

COMPANY INFORMATION

Directors	Mrs J K Stringer Mr Gerald Stringer
Secretary	Mrs J K Stringer
Company number	00877662
Registered office	54 Whitehorse Lane London SE25 6RQ
Accountants	White Corfield & Fry Ltd 420 Brighton Road South Croydon Surrey CR2 6AN
Business address	54 Whitehorse Lane London SE25 6RQ

AARON RADIATOR PROPERTY COMPANY LTD

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AARON RADIATOR PROPERTY COMPANY LTD

BALANCE SHEET

AS AT 30 JUNE 2017

		30 June 2017	31 March 2016
	Notes	£	£
Fixed assets			
Tangible assets	4	4,738	6,739
Investment properties	5	350,000	900,000
Investments	6	100	100
		<u>354,838</u>	<u>906,839</u>
Current assets			
Debtors	8	137	1,963
Cash at bank and in hand		1,176,123	830
		<u>1,176,260</u>	<u>2,793</u>
Creditors: amounts falling due within one year	9	<u>(260,899)</u>	<u>(138,876)</u>
Net current assets/(liabilities)		<u>915,361</u>	<u>(136,083)</u>
Total assets less current liabilities		<u>1,270,199</u>	<u>770,756</u>
Provisions for liabilities		<u>(30,474)</u>	<u>(104,984)</u>
Net assets		<u>1,239,725</u>	<u>665,772</u>
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	137,371	524,917
Other reserves	13	-	6,666
Profit and loss reserves	14	1,102,254	134,089
Total equity		<u>1,239,725</u>	<u>665,772</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 period ended 30 June 2017 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 Act with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the period 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.

The financial statements were approved by the board of directors and authorised for issue on 19 December 2017 and are signed on its behalf by:

Mrs J K Stringer

Director

Company Registration No. 00877662

AARON RADIATOR PROPERTY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies

Company information

Aaron Radiator Property Company Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 54 Whitehorse Lane, London, SE25 6RQ.

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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Reporting period

The company's accounting reference date has been extended by 3 months to end on 30 June 2017. The directors decided to move the accounting year end to coincide with the completion of a property sale and for ease of finalising the accounts for future periods. The comparatives as stated in the accounts are for a 12 month period so not directly comparable to the 15 month figures disclosed for the current year.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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:

Motor vehicles	25% reducing balance basis
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AARON RADIATOR PROPERTY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

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.

1.5 Investment properties

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.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Cash at bank and in hand

Cash at bank and in hand 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.

1.8 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.

AARON RADIATOR PROPERTY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

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.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

AARON RADIATOR PROPERTY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

2 Operating profit/(loss)

	2017 £	2016 £
Operating profit/(loss) for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	2,001	1,074
Profit on disposal of investment property	(1,133,352)	-
	<u> </u>	<u> </u>

3 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	216,076	1,771
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(74,510)	10,000
	<u> </u>	<u> </u>
Total tax charge	<u>141,566</u>	<u>11,771</u>

4 Tangible fixed assets

	Motor vehicles £
Cost	
At 1 April 2016 and 30 June 2017	7,813
	<u> </u>
Depreciation and impairment	
At 1 April 2016	1,074
Depreciation charged in the period	2,001
	<u> </u>
At 30 June 2017	3,075
	<u> </u>
Carrying amount	
At 30 June 2017	4,738
	<u> </u>
At 31 March 2016	6,739
	<u> </u>

5 Investment property

	2017 £
Fair value	
At 1 April 2016	900,000
Disposals	(550,000)
	<u> </u>
At 30 June 2017	<u>350,000</u>

AARON RADIATOR PROPERTY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

5 Investment property

(Continued)

Investment property now comprises the property at Whitehorse Lane occupied by the subsidiary Aaron Radiator Company Limited.

The property at Hornsey Road was sold during the period for £1,335,000 with completion on 24th May 2017.

The fair value of the investment property has been arrived at on the basis of a valuation carried out December 2015 by Salter Rex Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

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

	2017 £	2016 £
Cost	212,629	375,083
Accumulated depreciation	-	-
Carrying amount	212,629	375,083

6 Fixed asset investments

	2017 £	2016 £
Investments	100	100

Investments in subsidiaries are valued at cost less any provision for diminution in value.

7 Subsidiaries

Details of the company's subsidiaries at 30 June 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Aaron Radiator Company Ltd	UK	sale and repair of motor vehicle radiators	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Aaron Radiator Company Ltd	20,549	58,989

AARON RADIATOR PROPERTY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

7 Subsidiaries

(Continued)

The investment in the subsidiary is valued at cost less any provision for diminution in value.

At 31 March 2016 the company wrote off the intercompany debt with its subsidiary totalling £636,002 which had been fully provided for in the accounts on Aaron Radiator Property Company Ltd. At 30 June 2017 the company owed its subsidiary £16,189. (2016 £NIL)

8 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	137	1,963

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	5,250
Amounts due to group undertakings	16,189	-
Corporation tax	216,076	1,771
Other creditors	28,634	131,855
	<u>260,899</u>	<u>138,876</u>

10 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	30,474	104,984

AARON RADIATOR PROPERTY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

11 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	100	100
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

12 Revaluation reserve

	2017 £	2016 £
At beginning of period	524,917	474,917
Revaluation surplus arising in the period	-	50,000
Other movements	(387,546)	-
	<u>137,371</u>	<u>524,917</u>
	<u><u>137,371</u></u>	<u><u>524,917</u></u>

In recognising the sale of the property at Hornsey Road the revaluation reserve attributed to that property has been reversed totalling £387,546. The balance on the revaluation reserve is now solely attributable to the investment property at Whitehorse Lane.

13 Other reserves

	£
At 1 April 2015	-
Additions	6,666
	<u>6,666</u>
At 30 June 2016	6,666
Other movements	(6,666)
	<u>-</u>
At 30 June 2017	<u><u>-</u></u>

In 2016 under FRS102 the loan from the director J Stringer was valued using the amortised cost method and a market rate of interest of 5%. As a director shareholder the interest was recognised as a capital contribution taken direct to equity and was detailed in other reserves. The loan has now been reclassified as repayable on demand and the interest provision reversed in the current period.

14 Profit and loss reserves

AARON RADIATOR PROPERTY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

14 Profit and loss reserves

(Continued)

	2017 £	2016 £
At the beginning of the period	134,089	138,052
Profit for the period	994,865	3,037
Dividends declared and paid in the period	(26,700)	(7,000)
At the end of the period	<u>1,102,254</u>	<u>134,089</u>

15 Related party transactions

The company owns a freehold property at Whitehorse Lane which is occupied by its wholly owned subsidiary Aaron Radiator Company Ltd. No commercial rent was paid during the year (2016 : £13,000) .

Due to continuing trading losses in the subsidiary the intercompany debt has been fully provided against in the accounts. At 31 March 2016 the company wrote off in full the intercompany debt owed by Aaron Radiator Company Ltd of £636,002. At the balance sheet date £16,189 (2016:£nil) was owed by the company to its subsidiary.

16 Directors' transactions

Dividends totalling £26,700 (2016 - £7,000) were paid in the period in respect of shares held by the company's directors.

17 Controlling party

The ultimate controlling party is the director Mrs J Stringer by virtue of her ownership of 100% of the issued share capital.

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