

SHALLOSQUARE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
PAGES FOR FILING WITH REGISTRAR

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OF ACCOUNTS**

THURSDAY



LD2 *L8BXC MG1* #69
15/08/2019
COMPANIES HOUSE

Cavendish
Chartered Certified Accountants
68 Grafton Way
London
W1T 5DS

Ref: 2449

SHALLOSQUARE LIMITED

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SHALLOSQUARE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	2	48,539		114,455	
Investment properties	3	10,644,263		15,715,299	
		<u>10,692,802</u>		<u>15,829,754</u>	
Current assets					
Stocks		17,192,031	12,866,115		
Debtors	4	1,349,479	2,323,679		
Cash at bank and in hand		353,873	349,471		
		<u>18,895,383</u>	<u>15,539,265</u>		
Creditors: amounts falling due within one year	5	<u>(7,843,843)</u>	<u>(10,723,693)</u>		
Net current assets		<u>11,051,540</u>		<u>4,815,572</u>	
Total assets less current liabilities		<u>21,744,342</u>		<u>20,645,326</u>	
Creditors: amounts falling due after more than one year	6	<u>(8,098,000)</u>	<u>(7,948,000)</u>		
Net assets		<u><u>13,646,342</u></u>		<u><u>12,697,326</u></u>	
Capital and reserves					
Called up share capital	7	600,000	600,000		
Profit and loss reserves		13,046,342	12,097,326		
Total equity		<u><u>13,646,342</u></u>		<u><u>12,697,326</u></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 31 March 2019 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.

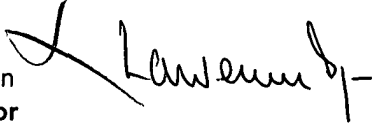
SHALLOSQUARE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

The financial statements were approved by the board of directors and authorised for issue on 7 August 2019 and are signed on its behalf by:

L Drizen
Director

A handwritten signature in black ink, appearing to read 'L Drizen', with a horizontal line extending from the end of the signature.

Company Registration No. 1761994

SHALLOSQUARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2016	600,000	10,530,473	11,130,473
Period ended 31 March 2018:			
Profit and total comprehensive income for the period	-	1,566,853	1,566,853
Balance at 31 March 2018	600,000	12,097,326	12,697,326
Period ended 31 March 2019:			
Profit and total comprehensive income for the period	-	954,516	954,516
Dividends	-	(5,500)	(5,500)
Balance at 31 March 2019	600,000	13,046,342	13,646,342

Included in the profit and loss reserves are unrealised losses amounting to £1,438,521 relating to investment property fair value adjustments.

SHALLOSQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Shallosquare Limited is a private company limited by shares incorporated in England and Wales. The registered office is 68 Grafton Way, London, W1T 5DS.

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 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Reporting period

Current year accounting period is from 1 April 2018 to 31 March 2019. The comparative accounting period is 1 October 2016 to 31 March 2018. Consequently, the comparative amounts presented in the financial statements including related party notes are not entirely comparable.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for property sales, rent receivable and joint venture income.

Revenue from the sale of properties is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer (usually on completion of contracts), 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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Joint venture and other income is recognised when 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:

Fixture, plant and machinery	10% Straight Line
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SHALLOSQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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 profit or loss.

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

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Property stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises the purchase cost of properties and, where applicable, direct costs that have been incurred in bringing the stocks to their present location and condition.

Cost of stocks comprises purchase costs of properties which are allocated to the specific properties to which they relate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 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.

SHALLOSQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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.

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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the amount of tax currently payable.

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.

SHALLOSQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.12 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.

1.13 Retirement benefits

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

2 Tangible fixed assets

Plant and machinery etc
£

Cost

At 1 April 2018	176,084
Disposals	(87,830)
At 31 March 2019	88,254

Depreciation and impairment

At 1 April 2018	61,629
Depreciation charged in the year	8,825
Eliminated in respect of disposals	(30,739)
At 31 March 2019	39,715

Carrying amount

At 31 March 2019	48,539
At 31 March 2018	114,455

3 Investment property

2019
£

Fair value

At 1 April 2018	15,715,299
Transfers	(868,572)
Disposals	(2,763,943)
Revaluations	(1,438,521)
At 31 March 2019	10,644,263

SHALLOSQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Investment property

(Continued)

Investment property comprises freehold and long leasehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out at the directors at 31 March 2019. 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:

	2019 £	2018 £
Cost	12,082,783	15,715,299
Accumulated depreciation	-	-
Carrying amount	<u>12,082,783</u>	<u>15,715,299</u>

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	<u>1,349,479</u>	<u>2,323,679</u>

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	605,874	658,956
Amounts owed to group undertakings	6,500	1,000
Corporation tax	258,449	224,434
Other taxation and social security	24,562	6,358
Other creditors	6,948,458	9,832,945
	<u>7,843,843</u>	<u>10,723,693</u>

6 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	<u>8,098,000</u>	<u>7,948,000</u>

The bank loans are secured by fixed charges against the company's relevant properties.

SHALLOSQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
600,000 Ordinary shares of £1 each	600,000	600,000
	<u>600,000</u>	<u>600,000</u>

8 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	-	148,416
	<u>-</u>	<u>148,416</u>