

Company Registration No. 02496970 (England and Wales)

CROFT COMMERCIAL DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

PAGES FOR FILING WITH REGISTRAR

CROFT COMMERCIAL DEVELOPMENTS LIMITED

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CROFT COMMERCIAL DEVELOPMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|----------------------------------------------|-------|------------------|-------------------------|------------------|-------------------------|
| Non-current assets | | | | | |
| Investment properties | 3 | 10,725,700 | | 9,966,839 | |
| Investments | 4 | | 1 | | 1 |
| | | | <u>10,725,701</u> | | <u>9,966,840</u> |
| Current assets | | | | | |
| Inventories | | 2,562,316 | | 2,562,316 | |
| Trade and other receivables | 5 | 362,781 | | 289,474 | |
| Cash and cash equivalents | | 9,323 | | 54,144 | |
| | | <u>2,934,420</u> | | <u>2,905,934</u> | |
| Current liabilities | 6 | (10,964,873) | | (10,982,255) | |
| Net current liabilities | | | <u>(8,030,453)</u> | | <u>(8,076,321)</u> |
| Total assets less current liabilities | | | <u><u>2,695,248</u></u> | | <u><u>1,890,519</u></u> |
| Equity | | | | | |
| Called up share capital | 7 | | 100 | | 100 |
| Retained earnings | | | <u>2,695,148</u> | | <u>1,890,419</u> |
| Total equity | | | <u><u>2,695,248</u></u> | | <u><u>1,890,519</u></u> |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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 24 September 2020 and are signed on its behalf by:

C A Gray Esq
Director

Company Registration No. 02496970

CROFT COMMERCIAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Company information

Croft Commercial Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 1 Devonshire Street, London, W1W 5DR.

The business address is Rock House, Great Casterton Road, Stamford, Lincs, PE9 2YQ.

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 significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The financial statements of the company are consolidated in the financial statements of Abbey Commercial Investments Limited. These consolidated financial statements are available from its registered office, Devonshire House, 1 Devonshire Street, London, W1W 5DR.

1.2 Revenue

Rental income is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives being offered to occupiers to enter into a lease, such as an initial rent-free period or a cash contribution to fit out or similar costs, are an integral part of the net consideration for the use of the property and are therefore recognised on the same straight-line basis.

Proceeds received on the sale of trading properties are recognised when control of the property transfers to the buyer, i.e. the buyer has the ability to direct the use of the property and the right to the cash inflows and outflows generated by it. This generally occurs on unconditional exchange or on completion.

1.3 Investment properties

The company's properties are held for long-term investment. Investment properties are accounted for as follows:-

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value, as determined by the Directors. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.4 Non-current 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.

CROFT COMMERCIAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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.

1.5 Inventories

Inventories comprise land and buildings held for development and are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the original purchase price and associated costs and those overheads that have been incurred in bringing the inventories to their present condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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.

1.6 Cash and cash equivalents

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.

1.7 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. They 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 trade and other receivables 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.

Impairment of financial assets

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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.

CROFT COMMERCIAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 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 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. 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 income statement, 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.

2 Employees

Other than the directors, there were no employees during the year (2018: none).

3 Investment properties

| | 2019 £ |
|-------------------|-------------|
| Fair value | |
| At 1 July 2018 | 9,966,839 |
| Additions | 109,013 |
| Revaluations | 649,848 |
| | <hr/> |
| At 30 June 2019 | 10,725,700 |
| | <hr/> <hr/> |

CROFT COMMERCIAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

3 Investment properties

(Continued)

Investment properties have been valued on an open market basis at 30 June 2019 by the directors of the company.

The historical cost of the company's investment properties held at 30 June 2019 was £7,953,697 (2018: £7,844,684).

4 Fixed asset investments

| | 2019 £ | 2018 £ |
|----------------------------------------------------------|-----------|-----------|
| Shares in group undertakings and participating interests | 1 | 1 |

Movements in non-current investments

| | Shares in group undertakings £ |
|-------------------------------|--------------------------------------|
| Cost or valuation | |
| At 1 July 2018 & 30 June 2019 | 1 |
| Carrying amount | |
| At 30 June 2019 | 1 |
| At 30 June 2018 | 1 |

5 Trade and other receivables

| | 2019 £ | 2018 £ |
|---------------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade receivables | 131,693 | 112,118 |
| Other receivables | 231,088 | 177,356 |
| | 362,781 | 289,474 |

CROFT COMMERCIAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

6 Current liabilities

| | 2019 £ | 2018 £ |
|------------------------------------|-------------------|-------------------|
| Bank loans and overdrafts | 54,627 | - |
| Trade payables | 124,764 | 20,675 |
| Amounts owed to group undertakings | 10,524,515 | 10,687,297 |
| Corporation tax | 35,998 | 34,700 |
| Other taxation and social security | 13,694 | 43,343 |
| Other payables | 211,275 | 196,240 |
| | <u>10,964,873</u> | <u>10,982,255</u> |

7 Called up share capital

| | 2019 £ | 2018 £ |
|--------------------------------|------------|------------|
| Issued and fully paid | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Stephen Simou FCA.

The auditor was Citroen Wells.

9 Financial commitments, guarantees and contingent liabilities

The company is party to an omnibus letter of set off with other group undertakings in favour of Lloyds Bank Plc.

The company has also granted a fixed and floating charge over all of its assets and undertakings as part security against banking facilities made available to its ultimate parent undertaking, Abbey Commercial Investments Limited.

CROFT COMMERCIAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

10 Events after the reporting date

The World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic on 11 March 2020. The pandemic, and the measures to control its human impact, have resulted in disruptions to economic activity and business operations worldwide, the outcome of which is still uncertain.

At the date of approval of the financial statements, the full impact of the virus is inherently uncertain, and the directors are therefore unable to determine a reliable estimate of the financial impact of COVID-19 on the company's profitability, liquidity and financial position in the future. However, the directors are pleased to report that they have continued to receive strong support from their lenders throughout the crisis and they believe that the company is as well placed as it can be to withstand the uncertainties ahead and to profit from the changes in the property market as the economy recovers.

11 Related party transactions

One of the company's directors is also a director and has an interest in Strategic Resources Limited ('SRL'). At the year end the company was indebted to SRL in the amount of £60,000 (2018: £60,000). This amount is unsecured, interest free and repayable on demand.

One of the company's directors is also a director and has an interest in Thurgarton Priory Investments Limited ('TPI'). At the year end the company was owed £9,000 (2018: £9,000) by TPI. This amount is unsecured, interest free and repayable on demand.

One of the company's directors is also a director and has an interest in Thurgarton Priory Estates Limited ('TPE'). At the year end the company was owed £115,951 (2018: £115,951) by TPE. This amount is unsecured, interest free and repayable on demand.

One of the company's directors is also a director and has an interest in Thurgarton Priory Developments Limited ('TPD'). At the year end the company was owed £600 (2018: £600) by TPD. This amount is unsecured, interest free and repayable on demand.

No disclosure has been made of transactions with other wholly owned group companies in accordance with FRS 102 Section 33, paragraph 33.1A as the company is itself a wholly owned subsidiary of Abbey Commercial Investments Limited.

12 Parent company

The company regards Abbey Commercial Investments Limited, a company incorporated in England and Wales, as its ultimate parent undertaking.

CROFT COMMERCIAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

13 Reserves

| | 2019 £ | 2018 £ |
|---------------------|------------------|------------------|
| Distributable | (76,855) | (231,736) |
| Non - distributable | 2,772,003 | 2,122,155 |
| | <u>2,695,148</u> | <u>1,890,419</u> |

Movement in fair value reserve

| | 2019 £ | 2018 £ |
|------------------------------------------------------------------------|------------------|------------------|
| At beginning of year | 2,122,155 | 1,463,322 |
| Adjustment in respect of investment properties disposed of in the year | - | 658,833 |
| Fair value movement on investment properties | <u>649,848</u> | <u>-</u> |
| At end of year | <u>2,772,003</u> | <u>2,122,155</u> |

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.