Waterstone Developments Limited

Unaudited Financial Statements

For the year ended 31 March 2022

For Filing with Registrar

Company Registration No. 03448221 (England and Wales)

Waterstone Developments Limited

Company Information

Directors	P Bertorelli W Bertorelli P A Bertorelli E Bertorelli
Company number	03448221
Registered office	6th Floor 9 Appold Street London EC2A 2AP
Accountants	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP

Waterstone Developments Limited

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Balance Sheet

As at 31 March 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**2**		21,701		24,620
Investment properties	**3**		8,370,250		7,755,000
			8,391,951		7,779,620
Current assets					
Debtors	**4**	361,108		196,825	
Cash at bank and in hand		95,496		355,760	
		456,604		552,585	
Creditors: amounts falling due within one year	**5**	(5,377,773)		(5,200,737)	
Net current liabilities			(4,921,169)		(4,648,152)
Total assets less current liabilities			3,470,782		3,131,468
Creditors: amounts falling due after more than one year	**6**		(2,520,246)		(2,418,208)
Net assets			950,536		713,260
Capital and reserves					
Called up share capital	**7**		80,000		80,000
Profit and loss reserves			870,536		633,260
Total equity			950,536		713,260

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 2022 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.

Waterstone Developments Limited

Balance Sheet (Continued)

As at 31 March 2022

The financial statements were approved by the board of directors and authorised for issue on 20 December 2022 and are signed on its behalf by:

P Bertorelli
Director

Company Registration No. 03448221

Waterstone Developments Limited

Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2020	80,000	1,359,858	1,439,858
Year ended 31 March 2021:			
Loss and total comprehensive income for the year	-	(726,598)	(726,598)
Balance at 31 March 2021	80,000	633,260	713,260
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	237,276	237,276
Balance at 31 March 2022	80,000	870,536	950,536

1 Accounting policies

Company information

Waterstone Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, 9 Appold Street, London, EC2A 2AP.

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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts 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 at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The impact of the Covid-19 pandemic has not been significant for the company as the company has a diversified property portfolio and most tenants were able to continue making their rent payments throughout the financial year, resulting in the company maintaining cash reserves as required. Therefore the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover recognised is rent receivable from investment properties and is shown net of VAT.

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:

Fixtures, fittings & equipment	25% reducing balance
Computer equipment	3 years 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.

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.

1 Accounting policies **(Continued)**

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 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.

1.8 Financial instruments

Basic financial instruments are measured at cost. The company has no other financial instruments or basic financial instruments measured at fair value.

1.9 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.

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

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

1 Accounting policies **(Continued)**

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.

1.11 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2021	35,397
Additions	5,743
At 31 March 2022	41,140
Depreciation and impairment	
At 1 April 2021	10,777
Depreciation charged in the year	8,662
At 31 March 2022	19,439
Carrying amount	
At 31 March 2022	21,701
At 31 March 2021	24,620

3 Investment property

	2022
	£
Fair value	
At 1 April 2021	7,755,000
Additions	615,250
At 31 March 2022	8,370,250

Investment property comprises multiple properties held for the purpose of earning rental income. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors at 31 March 2022. The valuation was made on an open market value basis by reference to the recent purchase prices of the properties and the state of the current property market in the London area.

4 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	117,951	-
Other debtors	105,740	107,027
	223,691	107,027
Deferred tax asset	137,417	89,798
	361,108	196,825

5 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	4,413,499	4,328,265
Trade creditors	10,885	12,716
Corporation tax	62,446	51,380
Other taxation and social security	32,005	18,073
Other creditors	858,938	790,303
	5,377,773	5,200,737

6 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	2,520,246	2,418,208

Amounts included above which fall due after five years are as follows:

	2022	2021
Payable by instalments	19,956	101,717
Payable other than by instalments	360,000	360,000
	379,956	461,717

The short-term and long-term loans are secured by fixed charges over the properties owned by the company.

7 Called up share capital

	2022	2021
Ordinary share capital	£	£
Issued and fully paid		
80,000 Ordinary Shares of £1 each	80,000	80,000

8 Operating lease commitments

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2022	2021
	£	£
	2,392,158	2,812,254

9 Related party transactions

Included within bank loans due within one year is an amount owed to Alpina Investments Limited, a company registered in the Isle of Man, of £2,485,559 (2021: £2,408.513). The beneficial owner of the company is the P&W Family Trust, of which two of the directors are beneficiaries.

Included in other creditors is an amount due from the company to P Bertorelli, a director, of £736,367 (2021: £7 36,514). No interest is being charged on this loan and it is repayable on demand.

Management fees of £24,000 (2021: £24,008) were paid to a company under the control of P A Bertorelli, a director. Consultancy fees of £48,000 (2021: £34,000) were paid to E Bertorelli, a director, for services provided to the company.