

Waterstone Developments Limited

Unaudited Financial Statements

For the year ended 31 March 2023

Pages 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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Waterstone Developments Limited

Balance Sheet

As at 31 March 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|-------------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 2 | 17,523 | 21,701 |
| Investment properties | 3 | 11,641,270 | 8,370,250 |
| | | <u>11,658,793</u> | <u>8,391,951</u> |
| Current assets | | | |
| Debtors | 4 | 423,412 | 361,108 |
| Cash at bank and in hand | | 304,471 | 95,496 |
| | | <u>727,883</u> | <u>456,604</u> |
| Creditors: amounts falling due within one year | 5 | <u>(1,249,079)</u> | <u>(5,377,773)</u> |
| Net current liabilities | | <u>(521,196)</u> | <u>(4,921,169)</u> |
| Total assets less current liabilities | | <u>11,137,597</u> | <u>3,470,782</u> |
| Creditors: amounts falling due after more than one year | 6 | <u>(9,855,564)</u> | <u>(2,520,246)</u> |
| Net assets | | <u><u>1,282,033</u></u> | <u><u>950,536</u></u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 80,000 | 80,000 |
| Profit and loss reserves | | 1,202,033 | 870,536 |
| Total equity | | <u><u>1,282,033</u></u> | <u><u>950,536</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 2023 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 2023

The financial statements were approved by the board of directors and authorised for issue on 21 December 2023 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 2023

| | Share capital | Profit and loss reserves | Total |
|--|---------------|-----------------------------|-----------|
| | £ | £ | £ |
| Balance at 1 April 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 |
| Year ended 31 March 2023: | | | |
| Profit and total comprehensive income for the year | - | 331,497 | 331,497 |
| Balance at 31 March 2023 | 80,000 | 1,202,033 | 1,282,033 |

Waterstone Developments Limited

Notes to the Financial Statements

For the year ended 31 March 2023

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 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 at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

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

1.3 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.

1.4 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.

1.5 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.

Waterstone Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

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.

1.6 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.

1.7 Financial instruments

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

1.8 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.

1.9 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.

Waterstone Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

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 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 2022 | 41,140 |
| Additions | 5,725 |
| | <hr/> |
| At 31 March 2023 | 46,865 |
| | <hr/> |
| Depreciation and impairment | |
| At 1 April 2022 | 19,439 |
| Depreciation charged in the year | 9,903 |
| | <hr/> |
| At 31 March 2023 | 29,342 |
| | <hr/> |
| Carrying amount | |
| At 31 March 2023 | 17,523 |
| | <hr/> |
| At 31 March 2022 | 21,701 |
| | <hr/> |

Waterstone Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

3 Investment property

| | 2023 £ |
|-------------------|-------------|
| Fair value | |
| At 1 April 2022 | 8,370,250 |
| Additions | 3,156,020 |
| Revaluations | 115,000 |
| | <hr/> |
| At 31 March 2023 | 11,641,270 |
| | <hr/> <hr/> |

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 2023. 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

| | 2023 £ | 2022 £ |
|---|-------------|-------------|
| Amounts falling due within one year: | | |
| Trade debtors | 146,218 | 117,951 |
| Other debtors | 109,829 | 105,740 |
| | <hr/> | <hr/> |
| | 256,047 | 223,691 |
| Deferred tax asset | 167,365 | 137,417 |
| | <hr/> | <hr/> |
| | 423,412 | 361,108 |
| | <hr/> <hr/> | <hr/> <hr/> |

5 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|-------------|-------------|
| Bank loans and overdrafts | 250,564 | 4,413,499 |
| Trade creditors | 27,531 | 10,885 |
| Corporation tax | 72,064 | 62,446 |
| Other taxation and social security | 39,658 | 32,005 |
| Other creditors | 753,412 | 753,426 |
| Accruals and deferred income | 105,850 | 105,512 |
| | <hr/> | <hr/> |
| | 1,249,079 | 5,377,773 |
| | <hr/> <hr/> | <hr/> <hr/> |

6 Creditors: amounts falling due after more than one year

| | 2023 £ | 2022 £ |
|-----------------|-------------|-------------|
| Other creditors | 9,855,564 | 2,520,246 |
| | <hr/> <hr/> | <hr/> <hr/> |

Waterstone Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

6 Creditors: amounts falling due after more than one year (Continued)

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

| | | |
|-----------------------------------|----------------|----------------|
| Payable by instalments | - | 19,956 |
| Payable other than by instalments | 360,000 | 360,000 |
| | <u>360,000</u> | <u>379,956</u> |

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

7 Called up share capital

| | 2023 | 2022 |
|--|---------------|---------------|
| | £ | £ |
| Ordinary share capital Issued and fully paid 80,000 Ordinary Shares of £1 each | 80,000 | 80,000 |
| | <u>80,000</u> | <u>80,000</u> |

8 Operating lease commitments

Lessor

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

| 2023 | 2022 |
|------------------|------------------|
| £ | £ |
| 2,865,530 | 2,392,158 |
| <u>2,865,530</u> | <u>2,392,158</u> |

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 £2,605,352 (2022: £2,485,559). 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 £753,412 (2022: £753,426). No interest is being charged on this loan and it is repayable on demand.

Included in creditors due over one year is an amount due from the company to P & W Bertorelli, directors, of £1,400,000 (2022: £nil).

Management fees of £12,000 (2022: £24,000) were paid to a company under the control of P A Bertorelli, a director. Consultancy fees of £48,000 (2022: £48,000) were paid to E Bertorelli, a director, for services provided to the company.

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