

Company Registration No. 03594038 (England and Wales)

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

ELMSWOOD PROPERTIES LIMITED

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ELMSWOOD PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		204		413
Investment properties	4		3,990,500		4,088,000
Investments	5		525,375		495,375
			<u>4,516,079</u>		<u>4,583,788</u>
Current assets					
Debtors	8	376,046		372,979	
Investments	9	46		466,014	
Cash at bank and in hand		809,662		131,408	
		<u>1,185,754</u>		<u>970,401</u>	
Creditors: amounts falling due within one year	10	(144,218)		(99,642)	
Net current assets			<u>1,041,536</u>		<u>870,759</u>
Total assets less current liabilities			<u>5,557,615</u>		<u>5,454,547</u>
Creditors: amounts falling due after more than one year	11	(2,269,521)		(2,286,515)	
Provisions for liabilities			<u>(373,838)</u>		<u>(390,116)</u>
Net assets			<u><u>2,914,256</u></u>		<u><u>2,777,916</u></u>
Capital and reserves					
Called up share capital	12		2		2
Investment property revaluation reserve	13		2,312,415		2,393,340
Profit and loss reserves			601,839		384,574
Total equity			<u><u>2,914,256</u></u>		<u><u>2,777,916</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 member has 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.

ELMSWOOD PROPERTIES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

The financial statements were approved by the board of directors and authorised for issue on 17 November 2019 and are signed on its behalf by:

Mr E Kopilov
Director

Company Registration No. 03594038

ELMSWOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Elmswood Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lynwood House, 373-375 Station Road, Harrow, Middlesex, HA1 2AW.

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 investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents rents receivable net of VAT.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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 and equipment	15 years straight line
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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. Changes in fair value are 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.

ELMSWOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.5 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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 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.

ELMSWOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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.

Current asset investments

Current asset investments are stated at cost less impairment.

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.

1.9 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.

1.10 Taxation

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

ELMSWOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2018 - 3).

3 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2018 and 31 March 2019	3,130
Depreciation and impairment	
At 1 April 2018	2,717
Depreciation charged in the year	209
At 31 March 2019	2,926
Carrying amount	
At 31 March 2019	204
At 31 March 2018	413

ELMSWOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Investment property

	2019 £
Fair value	
At 1 April 2018	4,088,000
Revaluations	(97,500)
	<u>3,990,500</u>
At 31 March 2019	<u>3,990,500</u>

Investment properties were revalued in March 2019 by the directors and Knight Frank LLP, as defined within the RICS Appraisal and Valuation Standards, on an open market basis.

5 Fixed asset investments

	2019 £	2018 £
Investments	415	415
Loans	524,960	494,960
	<u>525,375</u>	<u>495,375</u>

Movements in fixed asset investments

	Shares in group undertakings and participating interests £	Loans to group undertakings and participating interests £	Total £
Cost or valuation			
At 1 April 2018	415	494,960	495,375
Additions	-	30,000	30,000
	<u>415</u>	<u>524,960</u>	<u>525,375</u>
At 31 March 2019	415	524,960	525,375
Carrying amount			
At 31 March 2019	415	524,960	525,375
	<u>415</u>	<u>494,960</u>	<u>495,375</u>
At 31 March 2018	415	494,960	495,375

ELMSWOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Joint ventures

Details of the company's joint ventures at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Capital contribution	% Held	
				Direct	Indirect
Slough JV LP	England	Property investment	375	10.00	0
Bromley JV LP	England	Property investment	40	5.00	0

7 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Instruments measured at cost less impairment	46	466,014

8 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	20,553	9,590
Amounts owed by group undertakings	167,012	127,000
Other debtors	188,481	236,389
	<u>376,046</u>	<u>372,979</u>

9 Current asset investments

	2019 £	2018 £
Other investments	46	466,014

During the year, the company made short term investments in the following joint ventures and provided the following loans to these joint ventures:

- High Wycombe Joint Venture - £5 investment (1.3%) and loan of £nil.
- Elstree Joint Venture - £11 investment (1.3%) and loan of £nil.
- Farnbrough Joint Venture - £4 investment (6.6%) and loan of £nil.
- Reading Joint Venture - £6 investment (1.3%) and loan of £nil.
- Grainmarket Basildon Limited - £20 investment (20.0%) and loan of £nil.

Included in current asset investments are loans amounting to £nil (2018: £439,980) receivable in greater than one year.

ELMSWOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	17,020	17,020
Trade creditors	2,456	323
Taxation and social security	39,983	14,075
Other creditors	84,759	68,224
	<u>144,218</u>	<u>99,642</u>

11 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	2,230,940	2,247,960
Other creditors	38,581	38,555
	<u>2,269,521</u>	<u>2,286,515</u>

The bank loans and overdrafts of £2,247,960 (2018: £2,264,980) are secured by way of a charge over the investment properties.

12 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

13 Investment property revaluation reserve

	2019 £	2018 £
At the beginning of the year	2,393,340	2,238,103
Transfer to retained earnings	(80,925)	155,237
	<u>2,312,415</u>	<u>2,393,340</u>

14 Joint arrangements

The company has a 50% joint venture property investment with Grainmarket Properties Limited. The company has accounted for its share of the assets, liabilities, results and cashflows of the arrangement within the financial statements.

ELMSWOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Parent company

The company's parent undertaking is Gerko Limited, a company registered in Israel.

The registered office of Gerko Limited is P.O. Box 3110, Savyon, 56540, Israel.

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.