
CES PROPERTIES (MANCHESTER SQUARE) LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2020

CES PROPERTIES (MANCHESTER SQUARE) LTD
REGISTERED NUMBER: 03705741

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Fixed asset investments		273,261	282,103
Investment property	5	3,249,034	3,249,034
		<u>3,522,295</u>	<u>3,531,137</u>
Current assets			
Debtors		4,026,131	3,468,671
Bank & cash balances		497	118
		<u>4,026,628</u>	<u>3,468,789</u>
Creditors: amounts falling due within one year	6	(4,159,796)	(3,821,464)
Net current liabilities		<u>(133,168)</u>	<u>(352,675)</u>
Total assets less current liabilities		<u>3,389,127</u>	<u>3,178,462</u>
Creditors: amounts falling due after more than one year	7	(2,817,706)	(2,984,803)
Net assets		<u><u>571,421</u></u>	<u><u>193,659</u></u>
Capital and reserves			
Called up share capital	9	200,002	200,002
Profit and loss account		371,419	(6,343)
		<u><u>571,421</u></u>	<u><u>193,659</u></u>

CES PROPERTIES (MANCHESTER SQUARE) LTD
REGISTERED NUMBER: 03705741

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J K Fowler

Director

Date: 23 December 2020

The notes on pages 3 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The principal activity of CES Properties (Manchester Square) Ltd is that of property investment.

The Company is a private company limited by shares and is incorporated in England and Wales.

The Registered Office address is 5 Manchester Square, London, W1U 3PD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company had net current liabilities of £133,168 at the year end date. The directors have confirmed that the Company will have ongoing support from its group companies, and as a result, they are confident that the Company's access to working capital and future profit generation will be sufficient to support the business in the foreseeable future, and accordingly, consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of rent and service charges, exclusive of Value Added Tax.

Revenue in respect of rent is recognised over the period of the lease.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.8 Investment property

Investment properties are included in the Statement of Financial Position at historic cost.

This treatment is contrary to the requirements of the Financial Reporting Standard 102 Section 1A, which requires investment properties to be measured at fair value and for the gain or loss to go through the Statement of Income and Retained Earnings. In addition, no deferred tax has been recognised on any fair value gains arising on the investment properties. In the opinion of the directors, revaluation of the investment properties is not practicable.

Further, this is contrary to the Companies Act 2006, which states that fixed assets should be depreciated. In the opinion of the directors, this departure from the Act is necessary in order to give a true and fair view of the financial position of the Company.

2.9 Valuation of Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and loans to and from related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and loans to related parties, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

CES PROPERTIES (MANCHESTER SQUARE) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2019 - 3).

4. Fixed asset investments

	Loans to associates £
Cost	
At 1 April 2019	282,103
Disposals	(8,842)
At 31 March 2020	<u>273,261</u>

5. Investment property

	Freehold investment property £
Valuation	
At 1 April 2019	3,249,034
At 31 March 2020	<u>3,249,034</u>

Investment properties are stated at historic cost and have not, as required by the Financial Reporting Standard 102 Section 1A, been valued at fair value at the Statement of Financial Position date. In the opinion of the directors, the investment property has a value in excess of the amount at which it is included in the financial statements, but do not feel the cost of a professional valuation is justified, and do not feel able to arrive at an accurate valuation.

CES PROPERTIES (MANCHESTER SQUARE) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans (secured - see note 7)	122,507	115,753
Amounts owed to group undertakings	3,975,991	2,326,471
Corporation tax	-	18,871
Other creditors	-	1,341,647
Accruals and deferred income	61,298	18,722
	<u>4,159,796</u>	<u>3,821,464</u>

7. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	<u>2,817,706</u>	<u>2,984,803</u>

Secured Loans

The aggregate amount of creditors for which security has been given amounted to £2,940,213 (2019: £3,100,556), which bears interest at an average rate of 5.9% and matures on July 2025. The bank loans are secured by first legal charge over the company's investment properties.

8. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	122,507	115,753
Amounts falling due in more than one year		
Bank loans	2,817,706	2,984,803
	<u>2,940,213</u>	<u>3,100,556</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 (2019 - 2) Ordinary shares of £1.00 each	2	2
200,000 (2019 - 200,000) Class A 9% Redeemable Preference shares of £1.00 each	200,000	200,000
	<u>200,002</u>	<u>200,002</u>

The earliest and latest dates of redemption for the redeemable preference shares are 24 March 1999 and 24 March 2024 respectively.

The shares are redeemable at the option of the shareholders, and there is no premium on redemption.

10. Contingent liabilities

The preference shares are entitled to dividends of £18,000 for each of the years ending 31 March 2000 to 31 March 2020 contingent upon the Company having sufficient distributable reserves on redemption of the shares.

11. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Sandor Holdings Limited, a Company incorporated in England and Wales.

There is no ultimate controlling party.

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.