

DRAYCOTT INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018
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Ref: 5400

DRAYCOTT INVESTMENTS LIMITED

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DRAYCOTT INVESTMENTS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investment properties	2	3,155,000		3,530,000	
Investments	3		1		1
		<u>3,155,001</u>		<u>3,530,001</u>	
Current assets					
Debtors	5	21,792		60,198	
Cash at bank and in hand		8,286		4,757	
		<u>30,078</u>		<u>64,955</u>	
Creditors: amounts falling due within one year	6	(3,761,071)		(4,672,265)	
Net current liabilities		<u>(3,730,993)</u>		<u>(4,607,310)</u>	
Total assets less current liabilities		<u>(575,992)</u>		<u>(1,077,309)</u>	
Capital and reserves					
Called up share capital	7		2		2
Profit and loss reserves		(575,994)		(1,077,311)	
Total equity		<u>(575,992)</u>		<u>(1,077,309)</u>	

The directors of the company have elected not to include a copy of the profit and loss account 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 15 August 2018 and are signed on its behalf by:

P S D Khalastchi
Director

D Peltz
Director

Company Registration No. 04339695

DRAYCOTT INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2016	2	(1,127,216)	(1,127,214)
Year ended 30 April 2017:			
Profit and total comprehensive income for the year	-	49,905	49,905
Balance at 30 April 2017	2	(1,077,311)	(1,077,309)
Year ended 30 April 2018:			
Profit and total comprehensive income for the year	-	501,317	501,317
Balance at 30 April 2018	2	(575,994)	(575,992)

Profit and loss reserves include amounts totalling £575,994 which relate to unrealised losses relating to investment property fair value adjustments.

DRAYCOTT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

Draycott Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 68 Grafton Way, London, W1T 5DS.

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

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

As at 30 April 2018 the company had net liabilities of £575,992. The directors are of the opinion that the timing of future loan repayments and cash flows will enable the company to meet its liabilities as they fall due for the foreseeable future. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that might be required as a result of the withdrawal of financial support from the lenders.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for property rentals.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Joint venture and other income is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

DRAYCOTT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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.

1.6 Cash at bank and in hand

Cash at bank and in hand 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

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.

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.

DRAYCOTT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Investment property

	2018 £
Fair value	
At 1 May 2017	3,530,000
Disposals	(375,000)
	<u>3,155,000</u>
At 30 April 2018	<u>3,155,000</u>

Investment property comprises freehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to existing use.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2018 £	2017 £
Cost	3,730,995	4,607,312
Accumulated depreciation	-	-
	<u>3,730,995</u>	<u>4,607,312</u>
Carrying amount	<u>3,730,995</u>	<u>4,607,312</u>

3 Fixed asset investments

	2018 £	2017 £
Investments	<u>1</u>	<u>1</u>

DRAYCOTT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

3 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 May 2017 & 30 April 2018	1
Carrying amount	
At 30 April 2018	1
At 30 April 2017	1

4 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Draycott Investments Subsidiary Limited	68 Grafton Way, Dormant London W1T 5DS		Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Draycott Investments Subsidiary Limited	-	1

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	7,365	5,113
Other debtors	14,427	55,085
	<u>21,792</u>	<u>60,198</u>

DRAYCOTT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	3,545,435	3,908,588
Trade creditors	4,289	1,668
Other taxation and social security	9,653	-
Joint venture participators' loans	14,239	577,967
Other creditors	187,455	184,042
	<u>3,761,071</u>	<u>4,672,265</u>

Bank loans are secured by way of first legal charges over the company's investment properties.

7 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</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.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern. As at 30 April 2018, the company had net current liabilities of £3,730,993. This condition, along with the other matters explained in note 1.2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The senior statutory auditor was A K Malhotra FCCA ACA.

The auditor was Cavendish.

DRAYCOTT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

9 Related party transactions

The beneficial owners of the company are Flodrive Holdings Limited (50%) and London Freeholds Limited (50%). The transactions that took place with the beneficial owners are described below :

	At 1 May 2017	Fundings / (Drawings)	Share of joint venture	At 30 April 2018
Flodrive Holdings Limited	294,281	-	(281,864)	12,417
London Freeholds Limited	283,686	-	(281,864)	1,822
	<u>577,967</u>	<u>-</u>	<u>(563,728)</u>	<u>14,239</u>

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Management charges	
	2018 £	2017 £
Entities with control, joint control or significant influence over the company	-	14,000

The following amounts were outstanding at the reporting end date:

	2018 Balance £
Amounts owed by related parties	
Entities with control, joint control or significant influence over the company	138,000
Entities with control, joint control or significant influence over the company	103,000