

Registered number: 04442793

**EXECUTIVE HOMES (NORTH LONDON)
LIMITED**

UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2018



**LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	5	2,280,000	2,280,000
Investment property	6	841,395	841,395
		<u>3,121,395</u>	<u>3,121,395</u>
Current assets			
Stocks	7	2,823,392	1,820,030
Debtors: amounts falling due within one year	8	21,598	23,599
Cash at bank and in hand	9	168,484	400,170
		<u>3,013,474</u>	<u>2,243,799</u>
Creditors: amounts falling due within one year	10	<u>(3,123,433)</u>	<u>(3,171,561)</u>
Net current liabilities		<u>(109,959)</u>	<u>(927,762)</u>
Total assets less current liabilities		<u>3,011,436</u>	<u>2,193,633</u>
Creditors: amounts falling due after more than one year	11	(993,797)	-
Provisions for liabilities			
Deferred tax	12	<u>(70,759)</u>	<u>(62,590)</u>
Net assets		<u><u>1,946,880</u></u>	<u><u>2,131,043</u></u>
Capital and reserves			
Called up share capital	13	2	2
Revaluation reserve		296,430	304,599
Profit and loss account		<u>1,650,448</u>	<u>1,826,442</u>
		<u><u>1,946,880</u></u>	<u><u>2,131,043</u></u>

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 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 comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

EXECUTIVE HOMES (NORTH LONDON) LIMITED

REGISTERED NUMBER:04442793

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2018

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



S Oliver
Director



J O'Brien
Director

Date: 22.06.2019

The notes on pages 3 to 10 form part of these financial statements.

EXECUTIVE HOMES (NORTH LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

Executive Homes (North London) Limited is a private company limited by shares, incorporated in England and Wales. Its registered office and principal place of business is Magic House, 5-11 Green Lanes, London, N13 4TN. The financial statements are presented in sterling, which is the functional currency of the company, and are rounded to the nearest £.

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 meets its day-to-day working capital requirements through financial support of the company's bankers and a related party. The directors believe that it is appropriate to prepare the financial statements on a going concern basis which assumes that the company will continue in operational existence with the continued support of the company's bankers and a related party.

If the company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that might arise and reclassify fixed assets as current assets.

2.3 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.4 Turnover

Turnover represents the sale of constructed properties recognised on exchange of unconditional contracts.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

EXECUTIVE HOMES (NORTH LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 25% per annum at cost
Office equipment	- 25% per annum at cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks and work in progress have been valued at the lower of actual cost and net realisable value. Cost comprises land purchases, which are accounted for from the date of unconditional contract exchange, building and related direct costs. Net realisable value is based on estimated net selling price less further costs to completion.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any 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.

EXECUTIVE HOMES (NORTH LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

EXECUTIVE HOMES (NORTH LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Joint arrangements

The company has certain contractual arrangements with third parties to engage in joint activities that do not create an entity carrying on a trade or business of its own. The company includes its share of the assets, liabilities and cash flows in such joint arrangements measured in accordance with the terms of each arrangement, which is usually pro-rata to the company's interest in the joint arrangement.

3. Employees

The average monthly number of employees, including directors, during the year was 1 (2017 - 1).

EXECUTIVE HOMES (NORTH LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost or valuation			
At 1 October 2017	13,118	367	13,485
At 30 September 2018	<u>13,118</u>	<u>367</u>	<u>13,485</u>
Depreciation			
At 1 October 2017	13,118	367	13,485
At 30 September 2018	<u>13,118</u>	<u>367</u>	<u>13,485</u>
Net book value			
At 30 September 2018	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2017	<u>-</u>	<u>-</u>	<u>-</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2017	2,280,000
At 30 September 2018	<u>2,280,000</u>

EXECUTIVE HOMES (NORTH LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

6. Investment property

	Freehold investment property £
Valuation	
At 1 October 2017	841,395
At 30 September 2018	841,395

The 2018 valuations were made by the directors, on an open market value for existing use basis.

7. Stocks

	2018 £	2017 £
Developments under construction	2,620,378	1,617,016
Developments held for sale	203,014	203,014
	2,823,392	1,820,030

8. Debtors

	2018 £	2017 £
Trade debtors	3,134	6,854
Other debtors	18,013	11,461
Called up share capital not paid	3	2
Prepayments and accrued income	448	5,282
	21,598	23,599

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	168,484	400,170

EXECUTIVE HOMES (NORTH LONDON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 SEPTEMBER 2018****10. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank loans	258,749	320,582
Trade creditors	42,613	38,156
Amounts owed to group undertakings	2,792,218	2,787,119
Corporation tax	-	636
Other taxation and social security	4,433	2,712
Other creditors	3,385	4,573
Accruals and deferred income	22,035	17,783
	<u>3,123,433</u>	<u>3,171,561</u>

The amounts included within 'Bank loans' are secured on the assets of the company, certain properties held by owners holding a participating interest in the company, an unlimited guarantee by owners holding a participating interest in the company and personal guarantees from the directors of the company.

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

	2018 £	2017 £
Bank loans	993,797	-
	<u>993,797</u>	<u>-</u>

The amounts included within 'Bank loans' are secured on the assets of the company, certain properties held by owners holding a participating interest in the company, an unlimited guarantee by owners holding a participating interest in the company and personal guarantees from the directors of the company.

12. Deferred taxation

	2018 £
At beginning of year	(62,590)
Credited to profit or loss	(8,169)
At end of year	<u>(70,759)</u>

EXECUTIVE HOMES (NORTH LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

12. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Revaluation of investment properties	(70,759)	(62,590)
	<u>(70,759)</u>	<u>(62,590)</u>

13. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2 (2017 - 2) Ordinary shares of £1.00 each	2	2
	<u>2</u>	<u>2</u>

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £599 (2017 - £378)

15. Related party transactions

a) During the year the company was charged administrative and management services of £168,565 (2017 - £134,431) by owners holding a participating interest in the company. At the balance sheet date an amount of £3,147 (2017 - £3,222) was due to owners holding a participating interest in the company.

b) During the year remuneration to directors who hold a participating interest in the company totalled £48,000 (2017 - £48,000). During the year amounts due from directors who hold a participating interest in the company totalling £nil (2017 - £13,175) were written off.

All balances are unsecured, interest free and repayable on demand.