

Company Registration No. 04564796 (England and Wales)

LOWER RICHMOND PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR



LOWER RICHMOND PROPERTIES LIMITED

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LOWER RICHMOND PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	5	21,340		56,511	
Investment properties	6	8,093,302		7,950,000	
		<u>8,114,642</u>		<u>8,006,511</u>	
Current assets					
Debtors	7	679,198		638,982	
Cash at bank and in hand		68,028		136,284	
		<u>747,226</u>		<u>775,266</u>	
Creditors: amounts falling due within one year	8	<u>(1,042,207)</u>		<u>(1,173,243)</u>	
Net current liabilities			<u>(294,981)</u>		<u>(397,977)</u>
Total assets less current liabilities			<u>7,819,661</u>		<u>7,608,534</u>
Creditors: amounts falling due after more than one year	9		<u>(1,747,458)</u>		<u>(1,878,951)</u>
Provisions for liabilities	10		<u>(1,402,155)</u>		<u>(1,282,817)</u>
Net assets			<u><u>4,670,048</u></u>		<u><u>4,446,766</u></u>
Capital and reserves					
Called up share capital	12	10,000		10,000	
Profit and loss reserves		4,660,048		4,436,766	
Total equity			<u><u>4,670,048</u></u>		<u><u>4,446,766</u></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 23 August 2019 and are signed on its behalf by:

Z Virani
Director

Company Registration No. 04564796

LOWER RICHMOND PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		10,000	6,280,614	6,290,614
Year ended 31 December 2017:				
Loss and total comprehensive income for the year		-	(1,807,848)	(1,807,848)
Dividends		-	(36,000)	(36,000)
Balance at 31 December 2017		10,000	4,436,766	4,446,766
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	259,282	259,282
Dividends		-	(36,000)	(36,000)
Balance at 31 December 2018		10,000	4,660,048	4,670,048

Included in the profit and loss reserves are undistributable reserves amounting to £4.19m (2017: £4.12m).

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Lower Richmond Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kalamu House, 11 Coldbath Square, London, EC1R 5HL.

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

The company is financed by equity, shareholders loans and banking facilities. The company is therefore dependent upon its bankers and shareholders for continued financial support.

At the year-end, the company was in a net current liability position of £294,981 (2017: £397,977).

The shareholders and related parties have agreed not to call upon their loans for the next 12 months.

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. For this basis they have reviewed the financial and cash flow projections for the next 12 months from the date of the approval of the financial statements.

In addition, the directors aren't aware of any unlikely event, conditions and business risks beyond this point that may cast a significant doubt on the company's ability to continue as a going concern.

On the basis of this, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. These financial statements are prepared on the going concern basis.

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover represents amounts receivable from gross rents charged to tenants and the invoiced value of other services supplied, net of value added tax. Rents received prior to the period to which they relate are accounted for as deferred income and released to the profit and loss account in the period to which the rent relates..

1.4 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% per annum reducing balance
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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.

1.5 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.

1.6 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.

1.7 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.

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.

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 and loans from fellow group companies 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.

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.

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of debtors

The company reviews their portfolio of trade debtors on an annual basis. In determining whether trade debtors are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful life of property, plant and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2017 - 0).

4 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	47,269	50,205
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(80,662)	(77,038)
	<u> </u>	<u> </u>
Total tax credit	<u>(33,393)</u>	<u>(26,833)</u>

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Taxation

(Continued)

The HM Revenue and Customs has set the corporation tax rate at 19% and the rate has been set for periods from 1 April 2017, 2018 and 2019. For the year starting 1 April 2020, the corporation tax rate will be set at 17%. The deferred tax rate is used as per April 2020 budget.

5 Tangible fixed assets

Plant and machinery etc
£

Cost

At 1 January 2018

119,029

Disposals

(42,500)

At 31 December 2018

76,529

Depreciation and impairment

At 1 January 2018

62,518

Depreciation charged in the year

7,114

Eliminated in respect of disposals

(14,443)

At 31 December 2018

55,189

Carrying amount

At 31 December 2018

21,340

At 31 December 2017

56,511

6 Investment property

2018
£

Fair value

At 1 January 2018

7,950,000

Additions

143,302

At 31 December 2018

8,093,302

In the director's opinion, the carrying value of the company's investment properties as at 31 December 2018 is not significantly different from the open market fair values of those properties as at that date.

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	28,656	19,332
Amounts due from related parties	608,229	595,418
Other debtors	42,313	24,232
	<u>679,198</u>	<u>638,982</u>

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	122,375	113,257
Trade creditors	35,330	35,480
Corporation tax	47,267	50,203
Other taxation and social security	6,027	1,250
Other creditors	831,208	973,053
	<u>1,042,207</u>	<u>1,173,243</u>

9 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans		<u>1,747,458</u>	<u>1,878,951</u>

The bank loans are secured by a fixed and floating charge over all assets of the Company. Interest is charged at commercial rates and monthly instalment payments are made for both capital and interest.

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

Payable by instalments	<u>1,257,960</u>	<u>1,425,925</u>
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10 Provisions for liabilities

		2018 £	2017 £
Dilapidation Provision		729,621	529,621
Deferred tax liabilities	11	<u>672,534</u>	<u>753,196</u>
		<u>1,402,155</u>	<u>1,282,817</u>

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

10 Provisions for liabilities **(Continued)**

Movements on provisions apart from deferred tax liabilities:

	Dilapidation Provision £
At 1 January 2018	529,621
Additional provisions in the year	200,000
At 31 December 2018	<u>729,621</u>

The £729,621 (2017: £529,621) provision relates to a property dilapidation provision.

The provision will be utilised as dilapidation expenditure is incurred. During the year, £nil (2017: £nil) of dilapidation expenditure was incurred.

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	80,519	91,532
Revaluations	592,015	661,664
	<u>672,534</u>	<u>753,196</u>
Movements in the year:		2018 £
Liability at 1 January 2018		753,196
Credit to profit or loss		(80,662)
Liability at 31 December 2018		<u>672,534</u>

12 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

LOWER RICHMOND PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 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.

The senior statutory auditor was Shilpa Chheda.

The auditor was KLSA LLP.

14 Related party transactions

The company had the following related party transactions:

At 31 December 2018, debtors included amount due from Woking Properties (Broadmead) Ltd of £3,330 (2017: £3,080), White Cliff Properties Limited of £150 (2017: £150), Woking Properties Ltd of £1,000 (2017: £500), Delightful Properties Ltd of £37,100 (2017: £12,100) and Dowgate Limited of £78,899 (2017: £66,838), companies in which Z Virani has significant influence.

At 31 December 2018, under creditors amounts falling due within one year, other creditors included amounts due to Abbeybay Properties Limited of £Nil (2017: £1,173) and Riverbank House Limited of £377,033 (2017: £377,033), companies in which the directors has an interest. It also included interest free loan to the company from the following shareholders:

Mr Z G Virani amounting to £109,343 (2017: £141,224)

Ms F Virani amounting to £Nil (2017: £32,187)

Mrs S Nasser amounting to £212,690 (2017: £202,959).

During the year dividend of £Nil (2017: £121,697) was received from Vista Property Investments Limited, a company in which Lower Richmond Properties Limited had a significant shareholding.