

Company Registration No. 4701083 (England and Wales)

1 VERNON YARD LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017
PAGES FOR FILING WITH REGISTRAR

THURSDAY



L72QY8S2

L16

29/03/2018

#31

COMPANIES HOUSE

1 VERNON YARD LIMITED

COMPANY INFORMATION

Directors	W B Todd S L Todd
Secretary	W Kirby
Company number	4701083
Registered office	30 City Road London EC1Y 2AB
Auditor	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB

1 VERNON YARD LIMITED

CONTENTS

	Page
Statement of financial position	1
Notes to the financial statements	2 - 10

1 VERNON YARD LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investment properties	6		1,600,000		1,595,000
Current assets					
Debtors	7	239,615		478,207	
Creditors: amounts falling due within one year	8	(279,788)		(1,475,916)	
Net current liabilities			(40,173)		(997,709)
Total assets less current liabilities			1,559,827		597,291
Creditors: amounts falling due after more than one year	9		(1,085,000)		-
Provisions for liabilities	10		(91,406)		(115,979)
Net assets			383,421		481,312
Capital and reserves					
Called up share capital	11		1		1
Investment property revaluation reserve			525,210		585,885
Profit and loss reserves			(141,790)		(104,574)
Total equity			383,421		481,312

The directors of the company have elected not to include a copy of the income statement 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 26/3/2018 and are signed on its behalf by:


W B Todd
Director

Company Registration No. 4701083

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

1 Vernon Yard Limited is a private company limited by shares and is incorporated and domiciled in England. The principal place of business is First Floor, 103 Portobello Road, London W11 2QB.

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 investment properties at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2017 are the first financial statements of 1 Vernon Yard Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 15.

1.2 Going concern

The financial statements have been prepared on a going concern basis even though at the balance sheet date the company's current liabilities exceeded its current assets by £40,173.

The directors consider the going concern basis to be appropriate because, in their opinion, the company will continue to obtain sufficient funding to enable it to pay its debts as they fall due. If the company were unable to obtain this funding, it would be unable to continue trading and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise.

1.3 Turnover

Turnover represents rent receivable from letting of investment properties. Rent receivable from tenants is measured at fair value. Rental income is recognised in the period to which it arises on an accrual basis and in accordance with the terms of the lease.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

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

The fair value model is determined by the directors with the benefit of professional external valuers 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.

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.5 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.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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 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 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.

1.7 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.

1.8 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 income statement 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.

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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 income statement, 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 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.

Investment properties

As described in note 6 investment properties are measured at fair value with any movement in valuation at the year-end being taken to profit or loss. The directors have made key assumptions with the benefit of professional external valuers in the determination of the value of an investment property, by considering the property market specific to its location and range of reasonable fair value estimates.

3 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	3,900	3,180

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2016 - 2).

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

5 Taxation

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	(24,573)	(68,421)

The company has surrendered tax losses of £37,216 to its group companies. On that basis no provision of corporation tax charge has been made.

6 Investment property

	2017 £
Fair value	
At 1 July 2016	1,595,000
Additions	90,248
Revaluations	(85,248)
At 30 June 2017	1,600,000

The fair value of investment properties at the reporting date was based on a valuation carried out by the directors with the benefit of an independent firm of chartered surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in its location, together with a review of property rental yields. No depreciation is provided for on these investment properties.

On a historical cost basis these would have been included at an original cost of £983,384 (2016 - £893,136).

7 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Amounts owed by group undertakings	218,966	464,132
Other debtors	20,649	14,075
	239,615	478,207

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	-	1,183,811
Amounts due to group undertakings	259,966	259,102
Other creditors	19,822	33,003
	279,788	1,475,916

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

9 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	1,085,000	-

The bank loan is secured by a fixed and floating charge over the assets of the company.

10 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	91,406	115,979

11 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 1 Ordinary share of £1 each	1	1

12 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 Paul Berlyn FCA.

The auditor was Arram Berlyn Gardner LLP.

13 Related party transactions

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
Other related parties	500	500

Others

The director W B Todd has provided guarantee to the company's bankers in respect of loans described in note 9.

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

13 Related party transactions

(Continued)

The company has taken advantage of the exemption available under section 1A C.35 of FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary of the group.

14 Parent company

The immediate parent company is Holland Park Investments Limited and its registered office is 30 City Road, London, EC1Y 2AB.

The ultimate parent company is Courtney Investments Limited and its registered office is 30 City Road, London, EC1Y 2AB.

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

15 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 July 2015 £	30 June 2016 £
Equity as reported under previous UK GAAP		1,016,911	597,291
Adjustments arising from transition to FRS 102:			
Recognition of deferred tax on investment property revaluation	(i)	(184,400)	(115,979)
Equity reported under FRS 102		<u>832,511</u>	<u>481,312</u>

Reconciliation of loss for the financial period

	Notes	2016 £
Loss as reported under previous UK GAAP		(92,752)
Adjustments arising from transition to FRS 102:		
Recognition of deferred tax on investment property revaluation	(i)	68,421
Revaluation gains on investment property recognised in profit or loss	(ii)	(326,868)
Loss reported under FRS 102		<u>(351,199)</u>

Reconciliation of equity

		At 1 July 2015			At 30 June 2016		
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Investment properties		1,595,000	-	1,595,000	1,595,000	-	1,595,000
Current assets							
Debtors		-	-	-	478,207	-	478,207
Creditors due within one year							
Loans and overdrafts		-	-	-	(1,183,811)	-	(1,183,811)
Other creditors		(578,089)	-	(578,089)	(292,105)	-	(292,105)
		<u>(578,089)</u>	<u>-</u>	<u>(578,089)</u>	<u>(1,475,916)</u>	<u>-</u>	<u>(1,475,916)</u>
Net current liabilities		<u>(578,089)</u>	<u>-</u>	<u>(578,089)</u>	<u>(997,709)</u>	<u>-</u>	<u>(997,709)</u>
Total assets less current liabilities		<u>1,016,911</u>	<u>-</u>	<u>1,016,911</u>	<u>597,291</u>	<u>-</u>	<u>597,291</u>

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

15 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 1 July 2015			At 30 June 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Provisions for liabilities						
Deferred tax (i)	-	(184,400)	(184,400)	-	(115,979)	(115,979)
Net assets	1,016,911	(184,400)	832,511	597,291	(115,979)	481,312
Capital and reserves						
Share capital	1	-	1	1	-	1
Investment property revaluation reserve (i), (ii)	1,028,732	(184,400)	844,332	701,864	(115,979)	585,885
Profit and loss	(11,822)	-	(11,822)	(104,574)	-	(104,574)
Total equity	1,016,911	(184,400)	832,511	597,291	(115,979)	481,312

Reconciliation of loss for the financial period

Notes	Year ended 30 June 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover	5,114	-	5,114
Cost of sales	(1,070)	-	(1,070)
Gross profit	4,044	-	4,044
Administrative expenses	(31,374)	-	(31,374)
Interest payable and similar expenses	(65,422)	-	(65,422)
Fair value movement on investment property (ii)	-	(326,868)	(326,868)
Loss before taxation	(92,752)	(326,868)	(419,620)
Taxation (i)	-	68,421	68,421
Loss for the financial period	(92,752)	(258,447)	(351,199)

Notes to reconciliations on adoption of FRS 102

(i) Deferred tax on investment property

Under previous UK GAAP the company was not required to provide for taxation on revaluations, unless the company had entered into a binding sale agreement and recognised the gain or loss expected to arise. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation. On transition a deferred tax liability of £184,400 arose. In the year ending 30 June 2016 there is a deferred tax credit arising of £68,421.

1 VERNON YARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

15 Reconciliations on adoption of FRS 102

(Continued)

(ii) Revaluation on investment property recognised in profit or loss

Under previous UK GAAP, the revaluation of investment properties was recognised in revaluation reserve. However, under FRS 102, properties whose fair value can be measured with reliability without undue cost or effort should be measured at fair value at each reporting date with changes in fair value recognised in profit and loss. This shows the effect on the balance sheet on transition.