

Company Registration No. 05210903 (England and Wales)

D & J SIMONS & ARTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018
PAGES FOR FILING WITH REGISTRAR

WEDNESDAY



L8H7J00J

LD6

30/10/2019

#39

COMPANIES HOUSE

D & J SIMONS & ARTS LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 9

D & J SIMONS & ARTS LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2018

		2018		2017	
	Notes	£	£	as restated	£
Fixed assets					
Tangible assets	3		9,712		12,949
Investment properties	4		24,056,346		13,996,407
Investments	5		110		110
			<u>24,066,168</u>		<u>14,009,466</u>
Current assets					
Debtors	7	11,166		3,837	
Cash at bank and in hand		65,037		68,593	
		<u>76,203</u>		<u>72,430</u>	
Creditors: amounts falling due within one year	8	(22,794,103)		(12,695,800)	
Net current liabilities			(22,717,900)		(12,623,370)
Total assets less current liabilities			<u>1,348,268</u>		<u>1,386,096</u>
Provisions for liabilities					
Deferred tax liability	9	747,842		715,802	
		<u>(747,842)</u>		<u>(715,802)</u>	
Net assets			<u>600,426</u>		<u>670,294</u>
Capital and reserves					
Called up share capital	10		480		480
Investment property reserve			757,502		789,542
Profit and loss reserves			(157,556)		(119,728)
Total equity			<u>600,426</u>		<u>670,294</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 29/10/2019 and are signed on its behalf by:

H I Simons
Director

Company Registration No. 05210903

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

Company information

D & J Simons & Arts Limited is a private company limited by shares incorporated in England and Wales. The registered office is 124-150 Hackney Road, London, E2 7QS.

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the parent company will continue its support to the company for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the income received or receivable in respect of the company's investment activities. Turnover is shown net of VAT.

Rent receivable is recognised on an accruals basis. Rental income is stated net of the cost of any lease incentives given, including rent-free periods, which are spread on straight-line basis over the term of the relevant lease.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance
--------------------------------	----------------------

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 properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently, except for investment properties in the course of construction, investment properties are measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss and is subsequently transferred within equity to the investment property reserve together with the associated deferred tax.

Where the fair value of investment properties in the course of construction cannot be determined reliably, they are stated at the aggregate of: their predevelopment values, this company's share of the construction costs to date; and an estimate of this company's accumulated interest due to date on borrowings used to fund the development.

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Interests in subsidiaries 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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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).

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 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.

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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Any impairment loss is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors 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. 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.

1.10 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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.

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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.13 Investment property reserve

The investment property reserve comprises fair value uplift on the company's investment properties net of the associated deferred tax. Any movement in the fair value of the investment properties and/or the deferred tax associated with it during the year is transferred from the profit and loss account into this reserve. The investment property reserve is non-distributable.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2017 - 2).

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

3 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 November 2017 and 31 October 2018	30,696
Depreciation and impairment	
At 1 November 2017	17,747
Depreciation charged in the year	3,237
At 31 October 2018	20,984
Carrying amount	
At 31 October 2018	9,712
At 31 October 2017	12,949

4 Investment properties

	2018 £
At 1 November 2017	13,996,407
Additions	10,059,939
At 31 October 2018	24,056,346

Included within the total above are investment properties at fair value totalling £2,678,099 (2017: £2,678,099) that have been arrived at on the basis of a valuation carried out at the year-end by the directors. The valuation was made on an open market value basis by reference to rental yields.

The remaining investment properties are (with adjacent properties) now part of a major rebuilding project. At this stage in the development it is not possible to determine the fair value of the site, so the properties have been included in the financial statements at the aggregate of: their predevelopment values, this company's share of the construction costs to date; and an estimate of this company's accumulated interest due to date on borrowings used to fund the development.

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	23,141,557	13,081,618
Accumulated depreciation	-	-
Carrying amount	23,141,557	13,081,618

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

5 Fixed asset investments

	2018	2017
	£	£
Investments	110	110

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 November 2017 & 31 October 2018	110
Carrying amount	
At 31 October 2018	110
At 31 October 2017	110

6 Subsidiaries

Details of the company's subsidiaries at 31 October 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held
				Direct Indirect
Vindex Properties (2) Limited	1	Dormant	Ordinary	55.00
Vindex Properties Limited	1	Property investment	Ordinary	55.00

Registered Office addresses:

1 124-150 Hackney Road, London, E2 7QS

7 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Other debtors	886	1,283
Prepayments and accrued income	10,280	2,554
	11,166	3,837

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

8 Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed to group undertakings	6,802,031	6,733,921
Other taxation and social security	6,670	6,670
Other creditors	15,967,328	5,940,467
Accruals and deferred income	18,074	14,742
	<u>22,794,103</u>	<u>12,695,800</u>

9 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018	Liabilities 2017
	£	£
Balances:		
Investment properties	<u>747,842</u>	<u>715,802</u>
		2018
Movements in the year:		£
Liability at 1 November 2017		715,802
Charge to profit or loss		32,040
Liability at 31 October 2018		<u>747,842</u>

10 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
480 ordinary shares of £1 each	<u>480</u>	<u>480</u>

11 Financial commitments, guarantees and contingent liabilities

A major rebuilding project which is partly on land held by the company as beneficial owners, is being funded through a loan facility and the company has guaranteed all amounts under that facility. At 31 October 2018 the total amounts drawn down were £39,838,191. The loans are secured on the property development itself and by a fixed charge over the company's investment in its subsidiary which is acting as the company's agent for the development.

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

12 Parent company

D & J Simons & Sons Limited, a company incorporated in England and Wales whose registered office is 124-150 Hackney Road, London E2 7QS, is the parent undertaking of the smallest group that prepares group accounts and of which the company is a member.

13 Prior period adjustment

Changes to the balance sheet

		At 31 October 2017		
	Notes	As previously reported	Adjustment	As restated
		£	£	£
Fixed assets				
Tangible assets		12,949	-	12,949
Investment properties	1	7,540,099	6,456,308	13,996,407
Investments		110	-	110
		<u>7,553,158</u>	<u>6,456,308</u>	<u>14,009,466</u>
Current assets		<u>72,430</u>	<u>-</u>	<u>72,430</u>
Creditors due within one year				
Amounts owed to group undertakings	1	(6,218,080)	(515,841)	(6,733,921)
Other taxation and social security		(6,670)	-	(6,670)
Other creditors	1	-	(5,940,467)	(5,940,467)
Accruals and deferred income		(14,742)	-	(14,742)
		<u>(6,239,492)</u>	<u>(6,456,308)</u>	<u>(12,695,800)</u>
Provisions for liabilities		<u>(715,802)</u>	<u>-</u>	<u>(715,802)</u>
Net assets		<u>670,294</u>	<u>-</u>	<u>670,294</u>
Capital and reserves				
Share capital		480	-	480
Revaluation reserve	2	30,309	(30,309)	-
Investment property reserve	2	759,233	30,309	789,542
Profit and loss		(119,728)	-	(119,728)
Total equity		<u>670,294</u>	<u>-</u>	<u>670,294</u>

1 - The costs of development (including interest costs) and the related funding had not been included in the accounts for the year ended 31 October 2017.

2 - Revaluations of the investment properties had incorrectly been reflected in a statutory revaluation reserve. The amounts are now reflected in a non-statutory reserve.

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

14 Audit report information

As the profit and loss account 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 Alan Lester.

The auditor was HW Fisher.