

Company Registration No. 05210903 (England and Wales)

D & J SIMONS & ARTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021
PAGES FOR FILING WITH REGISTRAR

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		155		-
Investment properties	5		55,646,424		59,639,007
Investments	6		3,948,667		3,928,577
			<u>59,595,246</u>		<u>63,567,584</u>
Current assets					
Debtors	8	2,173,844		3,161,662	
Cash at bank and in hand		-		77,354	
		<u>2,173,844</u>		<u>3,239,016</u>	
Creditors: amounts falling due within one year	9	(18,781,152)		(21,742,903)	
Net current liabilities			<u>(16,607,308)</u>		<u>(18,503,887)</u>
Total assets less current liabilities			42,987,938		45,063,697
Provisions for liabilities					
Deferred tax liability	10	7,801,933		6,424,529	
		<u>(7,801,933)</u>		<u>(6,424,529)</u>	
Net assets			<u>35,186,005</u>		<u>38,639,168</u>
Capital and reserves					
Called up share capital			480		480
Investment property reserve			21,781,597		26,317,761
Profit and loss reserves			13,403,928		12,320,927
Total equity			<u>35,186,005</u>		<u>38,639,168</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 30 April 2023 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 2021

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 company has adequate resources to continue in operational existence for the foreseeable future. This is dependent upon the on-going support of the shareholders and their other business interests. 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% straight line
--------------------------------	-------------------

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, 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.

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.

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

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 and cash equivalents

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.

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.

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

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.

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.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.14 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 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.

Recoverability of related party loans

The directors have applied judgement in considering the recoverability of loans made to related parties, and based on the availability of the support of the shareholders and their other business interests, do not consider the loans to be impaired.

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

Valuation of investment properties

Determining the fair value of the company's investment properties as at the balance sheet date involves an element of estimation. The fair value of investment properties at the balance sheet date has been estimated by the directors based on recent valuations carried out by external valuers for bank purposes, and based on the directors' own work. Such estimation is influenced by key data including location and condition, comparable market transactions, property yields and compliance with planning laws and regulations. The directors have reviewed such assumptions and consider these to have been appropriately applied. Further description of the assumptions is given in note 6.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2020 - 0).

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 November 2020	30,696
Additions	195
	<hr/>
At 31 October 2021	30,891
	<hr/>
Depreciation and impairment	
At 1 November 2020	30,696
Depreciation charged in the year	40
	<hr/>
At 31 October 2021	30,736
	<hr/>
Carrying amount	
At 31 October 2021	155
	<hr/>
At 31 October 2020	-
	<hr/>

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

5 Investment property

	2021 £
Fair value	
At 1 November 2020	59,639,007
Additions	300,214
Disposals	(2,041,658)
Revaluations	(2,251,139)
	<hr/>
At 31 October 2021	55,646,424
	<hr/> <hr/>

Investment property includes a mixture of commercial and residential units:

a. Mixed-use unit with fair value of £4,538,633. The fair value has been arrived at by applying a comparable yield of 4% and 5.5% to the market rent of residential and commercial units respectively.

b. Commercial units with fair value of £11,462,791. The fair value has been based on an external valuation carried out in September 2020 and in April 2022, which the directors have updated for the current year, by applying a comparable yield of 5.25% to 5.5% instead of the valuer's blended figure of 5.35% to 6.5% to the estimated market rent. The latter is influenced by factors such as the square footage of the units, comparable market rent and actual rent achieved post year end.

c. Residential units with fair value of £39,645,000. The fair value has been based on an external valuation carried out in September 2020 and in April 2022, which the directors have updated for the current year, by applying a comparable yield of 4% and assuming the valuer's special basis of vacant possession sale of each individual units.

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

	2021 £	2020 £
Cost	26,062,834	26,761,908
Accumulated depreciation	-	-
	<hr/>	<hr/>
Carrying amount	26,062,834	26,761,908
	<hr/> <hr/>	<hr/> <hr/>

6 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	3,948,667	3,928,577
	<hr/> <hr/>	<hr/> <hr/>

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

6 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings and participating interests
	£
Cost or valuation	
At 1 November 2020	3,928,577
Additions	20,090
At 31 October 2021	3,948,667
Carrying amount	
At 31 October 2021	3,948,667
At 31 October 2020	3,928,577

7 Associates

Details of the company's associates at 31 October 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Maslo Properties Limited	1	Ordinary	50.00
Vindex Properties Limited	1	Ordinary	50.00
Vindex Properties (2) Limited	1	Ordinary	50.00

1 - The registered office of Maslo Properties Limited and Vindex Properties Limited is 124-150 Hackney Road, London, England, E2 7QS.

In the year to 31 October 2021, following the issue of new shares in both Vindex Properties Limited and Vindex Properties (2) Limited, the shareholding of D & J Simons & Arts Limited in these companies went down to 50%. These companies therefore became associates of D & J Simons & Arts Limited.

8 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	18,600	
Other debtors	2,006,070	3,151,382
Prepayments and accrued income	149,174	10,280
	2,173,844	3,161,662

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	18,380	-
Trade creditors	17,109	306
Amounts owed to group undertakings	6,698,762	18,996,565
Corporation tax	2,107,272	2,674,958
Other creditors	9,925,985	-
Accruals and deferred income	13,644	71,074
	<u>18,781,152</u>	<u>21,742,903</u>

10 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 2021	Liabilities 2020
	£	£
Balances:		
Accelerated capital allowances	644,151	358,848
Investment properties	7,157,782	6,065,681
	<u>7,801,933</u>	<u>6,424,529</u>

	2021
	£
Movements in the year:	
Liability at 1 November 2020	6,424,529
Charge to other comprehensive income	1,377,404
	<u>7,801,933</u>
Liability at 31 October 2021	<u>7,801,933</u>

11 Financial commitments, guarantees and contingent liabilities

There is group set-off by HSBC bank under a Company Unlimited Multilateral Guarantee dated 10 May 2015 in relation to overdraft facilities between connected companies. As at the year end the maximum exposure was £450,174 (2020: £47,423).

A connected company had a loan outstanding at the year end of £25,000,000 which is secured by a charge over all present and future assets of the company.

12 Operating lease commitments

Lessor

D & J SIMONS & ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

12 Operating lease commitments (Continued)

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

2021	2020
£	£
9,703,568	2,334,154

13 Related party transactions

The company owed £6,098,792 to its parent, D & J Simons & Sons Ltd at the year end. The amount represents various transactions made on behalf of it. The amount is interest free and repayable on demand.

The company owed £9,908,885 to Vindex Properties Limited, a company connected to D & J Simons & Arts by virtue of its 50% shareholding in Vindex Properties Limited. The amount represents various transactions made on behalf of it. The amount is interest free and repayable on demand.

The company owed £600,000 to Jaksam Properties Limited, a company connected to D & J Simons & Arts Limited by virtue of having a common Parent, D & J Simons & Sons Ltd. The amount represents various intercompany loans between the companies. The loans are interest free and repayable on demand.

The company is owed £1,994,006 by Thames Side Studios Limited (2020: £1,994,006), a company connected to D & J Simons & Arts Limited by virtue of having a common parent shareholder and director. The amount represents various intercompany loans between the companies. The loans are interest free and repayable on demand.

14 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.

15 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.

Emphasis of matter

We draw attention to Note 2 and to the financial statements which explains that the fair valuation of company's investment properties has been estimated by the directors and is subject to estimation uncertainty. Our opinion is not modified in respect of this matter.

The senior statutory auditor was David Selwyn.

The auditor was HW Fisher LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.