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**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D M Barnett C R L Phillips K Duggan
<b>Registered number</b>	05240514
<b>Registered office</b>	26 Kings Hill Avenue Kings Hill West Malling Kent ME19 4AE

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**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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## ARUNDEL SQUARE DEVELOPMENTS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The Directors present their report and the financial statements for the year ended 31 December 2017.

#### Principal activity

The principal activity of the Company was the development of property in Islington, London N7. The development consisted of 115 private residential apartments. The final residential unit completed in 2011 and no further income is expected.

#### Results and dividends

The loss for the year, after taxation, amounted to £19,000 (2016 - profit £2,000).

The Directors do not recommended the payment of an interim dividend (2016: nil).

#### Going concern

In previous periods the financial statements have been prepared on a going concern basis. However, the Company has ceased trading and as the Directors intend to strike off the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 2.2.

#### Directors

The Directors who served during the year were:

D M Barnett  
C R L Phillips  
K Duggan

#### Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

#### Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, as far as they each are aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 19 October 2018 and signed on its behalf.

  
K Duggan  
Director

26 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4AE

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**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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### **Opinion**

We have audited the financial statements of Arundel Square Developments Limited (the 'Company') for the year ended 31 December 2017, which comprise the Profit and loss account and other comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 2.2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Directors' report**

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARUNDEL SQUARE DEVELOPMENTS LIMITED (CONTINUED)

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### Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



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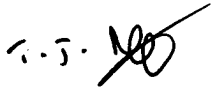
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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARUNDEL SQUARE DEVELOPMENTS  
LIMITED (CONTINUED)**

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**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Timothy Rush (Senior statutory auditor)

for and on behalf of  
**KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

19 October 2018

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ARUNDEL SQUARE DEVELOPMENTS LIMITED

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PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Note	2017 £000	2016 £000
Cost of sales		(14)	-
<b>Gross (loss)/profit</b>		<b>(14)</b>	<b>-</b>
Administrative expenses		(5)	-
<b>Operating (loss)/profit</b>		<b>(19)</b>	<b>-</b>
Tax on (loss)/profit	6	-	2
<b>(Loss)/profit for the financial year</b>		<b>(19)</b>	<b>2</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the profit and loss account and other comprehensive income.

There was no other comprehensive income for 2017 (2016 a £9,000 loss arising from the write off of intercompany).

The notes on pages 11 to 17 form part of these financial statements.

**ARUNDEL SQUARE DEVELOPMENTS LIMITED**  
**REGISTERED NUMBER:05240514**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £000	2017 £000	2016 £000	2016 £000
<b>Current assets</b>					
Stocks	7	-		17	
Debtors: amounts falling due within one year	8	66		71	
		<u>66</u>		<u>88</u>	
Creditors: amounts falling due within one year	9	-		(3)	
<b>Net current assets</b>			<u>66</u>		<u>85</u>
<b>Total assets less current liabilities</b>			<u>66</u>		<u>85</u>
<b>Net assets</b>			<u>66</u>		<u>85</u>
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Profit and loss account			65		84
			<u>66</u>		<u>85</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 October 2018.



**K Duggan**  
Director

The notes on pages 11 to 17 form part of these financial statements.

**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2016</b>	<b>1</b>	<b>91</b>	<b>92</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	2	2
Write off of intercompany investment	-	(9)	(9)
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>(9)</b>	<b>(9)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(7)</b>	<b>(7)</b>
<b>Transactions with owners, recorded directly in equity</b>			
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 1 January 2017</b>	<b>1</b>	<b>84</b>	<b>85</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(19)	(19)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(19)</b>	<b>(19)</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2017</b>	<b>1</b>	<b>65</b>	<b>66</b>

The notes on pages 11 to 17 form part of these financial statements.

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ARUNDEL SQUARE DEVELOPMENTS LIMITED

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	2017 £000	2016 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(19)	2
<b>Adjustments for:</b>		
Taxation charge	-	(2)
Decrease in stocks	17	-
Decrease/(increase) in debtors	5	(53)
(Decrease)/increase in creditors	(3)	-
Write off of intercompany investment	-	(9)
Corporation tax received	-	2
<b>Net cash generated from operating activities</b>	-	(60)
<b>Net increase/(decrease) in cash and cash equivalents</b>	-	(60)
Cash and cash equivalents at beginning of year	-	60
<b>Cash and cash equivalents at the end of year</b>	-	-
<b>Cash and cash equivalents at the end of year comprise:</b>		
	-	-

The notes on pages 11 to 17 form part of these financial statements.

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## ARUNDEL SQUARE DEVELOPMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. General information

Arundel Square Developments Limited is a private company limited by shares and incorporated, registered and domiciled in the UK. The registered number is 05240514 and the registered address is 26 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4AE.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements cover the year ended 31 December 2017.

These accounts are prepared on a non-going concern basis as the Directors have concluded that the Company has ceased trading and will be struck off (see note 2.2).

These accounts are prepared based on the accounting policies set out below which have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Assets and liabilities are classified as current / non-current based on their expected settlement.

##### 2.2 Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, the Company has written off the value of one parking space remaining within the Development as this will be used as part of the settlement of a claim from residents. The Directors intend to settle the claim following which the Company will cease trading and be struck off. Accordingly the Directors have not prepared the financial statements on a going concern basis. The Directors do not consider there to be a material effect on the presentation and disclosures of the financial statements.

##### 2.3 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

##### 2.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

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## ARUNDEL SQUARE DEVELOPMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.4 Basic financial instruments (continued)

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### 2.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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ARUNDEL SQUARE DEVELOPMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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2. Accounting policies (continued)

2.6 Expenses

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset/are expensed as incurred.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

3. Critical accounting judgements in applying the Company's accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are set out in note 2, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

4. Auditor's remuneration

	2017 £000	2016 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	1	2
	<hr/> 1	<hr/> 2
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	1	1
	<hr/> 1	<hr/> 1
	<hr/> <hr/>	<hr/> <hr/>



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ARUNDEL SQUARE DEVELOPMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**5. Directors' remuneration**

During the period, no Director received any emoluments (2016: £nil) from the Company. The Directors of the Company are remunerated in their roles as Directors of respective entities that have collaborated in this joint venture. The Directors' remuneration for qualifying services to the Company for 2017 was £nil (2016: £nil).

The Company has no employees other than the Directors. The Directors are the only Key Management Personnel.

**6. Taxation**

	2017 £000	2016 £000
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	(2)
	<u>-</u>	<u>(2)</u>
<b>Total current tax</b>	<u>-</u>	<u>(2)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss</b>	<u>-</u>	<u>(2)</u>

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**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**6. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Loss before tax	(19)	-
Loss multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(4)	-
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods	-	(2)
Unrelieved tax losses carried forward	4	-
<b>Total tax charge for the year</b>	<b>-</b>	<b>(2)</b>

**Factors that may affect future tax charges**

Reductions in the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly.

**7. Stocks**

	2017 £000	2016 £000
Work in progress	-	17
	-	17

**8. Debtors**

	2017 £000	2016 £000
Other debtors	66	71
	66	71

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**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**8. Debtors (continued)**

**9. Creditors: Amounts falling due within one year**

	2017 £000	2016 £000
Other creditors	-	3
	<u>-</u>	<u>3</u>
	<u>-</u>	<u>3</u>

**10. Financial instruments**

	2017 £000	2016 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost (note 8)	66	71
	<u>66</u>	<u>71</u>
	<u>66</u>	<u>71</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost (note 9)	-	(3)
	<u>-</u>	<u>(3)</u>
	<u>-</u>	<u>(3)</u>

**11. Share capital**

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
510 Ordinary A shares of £1 each	510	510
490 Ordinary B shares of £1 each	490	490
	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</u>

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**ARUNDEL SQUARE DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**12. Controlling party and related party transactions**

The Company is a joint venture controlled by United House Developments Limited, whose ultimate parent undertaking at 31 December 2017 was United House Group Holdings Limited and Redspur (Arundel) Limited (formerly London & Newcastle (Arundel) Limited), whose ultimate parent undertaking from 16 January 2016 is Redspur Group Limited (until 16 January 2016 ultimate parent undertaking was London & Newcastle Securities Limited).

There were no related party transactions in the current or preceding years.

There have been no transactions with key management personnel other than those stated in note 5. The Directors are considered to be key management personnel.