

West Acre UK Investments Limited

Registered number: 07728572

Directors' report and unaudited financial statements

For the year ended 31 August 2017

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WEST ACRE UK INVESTMENTS LIMITED

Registered number: 07728572

BALANCE SHEET AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
Current assets			
Stocks	5	3,694,966	3,678,555
Debtors: amounts falling due within one year	6	2,844,274	1,410,337
Cash at bank and in hand	7	419,922	402,994
		<u>6,959,162</u>	<u>5,491,886</u>
Creditors: amounts falling due within one year	8	(278,356)	(1,008,345)
Net current assets		<u>6,680,806</u>	<u>4,483,541</u>
Total assets less current liabilities		<u>6,680,806</u>	<u>4,483,541</u>
Creditors: amounts falling due after more than one year	9	(6,500,000)	(4,542,180)
Net assets/(liabilities)		<u><u>180,806</u></u>	<u><u>(58,639)</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		180,804	(58,641)
		<u><u>180,806</u></u>	<u><u>(58,639)</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

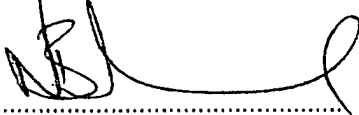
WEST ACRE UK INVESTMENTS LIMITED

Registered number: 07728572

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Nazila Karimi-Blencowe

Director

Date:

25/5/18

The notes on pages 4 to 9 form part of these financial statements.

WEST ACRE UK INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2015	2	(272,752)	(272,750)
Comprehensive income for the year			
Profit for the year	-	214,111	214,111
At 1 September 2016	2	(58,641)	(58,639)
Comprehensive income for the year			
Profit for the year	-	239,445	239,445
At 31 August 2017	2	180,804	180,806

WEST ACRE UK INVESTMENTS LIMITED

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

1. General information

West Acre UK Investments Limited is a private company limited by shares. The Company is incorporated in the United Kingdom and registered in England and Wales. The registered office is 10 Prince Albert Street, Brighton, BN1 1HE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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.

The Company transitioned to a new accounting framework on 1 September 2015. The effect of this is detailed in note 12.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

WEST ACRE UK INVESTMENTS LIMITED

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

2. Accounting policies (continued)

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. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

WEST ACRE UK INVESTMENTS LIMITED

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

2. Accounting policies (continued)

2.9 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.11 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

4. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	58,894	28,447
Total current tax	<u>58,894</u>	<u>28,447</u>

WEST ACRE UK INVESTMENTS LIMITED

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

4. Taxation (continued)

Factors affecting tax charge for the year

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

	2017 £	2016 £
Profit on ordinary activities before tax	298,339	242,558
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	58,424	48,512
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	470	698
Utilisation of tax losses	-	(20,763)
Total tax charge for the year	58,894	28,447

Factors that may affect future tax charges

The standard rate of Corporation Tax reduced to 19% from April 2017 with a further planned reduction to 17% from April 2020.

5. Stocks

	2017 £	2016 £
Stock of properties for sale	3,694,966	3,678,555
	<u>3,694,966</u>	<u>3,678,555</u>

WEST ACRE UK INVESTMENTS LIMITED

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

6. Debtors

	2017 £	2016 £
Trade debtors	12,249	108
Other debtors	2,828,359	1,400,000
Prepayments and accrued income	-	4,507
VAT repayable	3,666	5,722
	<u>2,844,274</u>	<u>1,410,337</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	419,921	402,994
	<u>419,921</u>	<u>402,994</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Security deposits and service charge	6,802	825
Trade creditors	20,442	25,798
Corporation tax	58,894	28,447
Directors' loan accounts	30,430	876,908
Accruals and deferred income	161,788	76,367
	<u>278,356</u>	<u>1,008,345</u>

WEST ACRE UK INVESTMENTS LIMITED

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

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	6,500,000	4,542,180
	<u>6,500,000</u>	<u>4,542,180</u>

Secured loans

The bank loan is secured over the property included in stock, known as Green Diamond, Bartholomew Square, Brighton.

10. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due 2-5 years		
Bank loans	6,500,000	4,542,180
	<u>6,500,000</u>	<u>4,542,180</u>

11. Related party transactions

At 31 August 2017 the Company owed Michael Blencowe, director, £30,405 (2016: £523,389) and Nazila Blencowe, director, £25 (2016: nil).

At 31 August 2017 the Company was owed £1,400,000 (2016: £1,400,000) from Chestnut Developments Limited and £1,400,000 from Moretons Investments Limited (2016: nil). The Company was also owed £28,359 from Baron Developments (Brighton) Limited (2016: £353,519 owed to Baron Developments (Brighton) Limited).

During the year the Company was charged £4,671 and £16,789 of management charges by The Baron Homes Corporation Limited and Baron Estate Management Limited respectively. These services were provided on an arms length basis. At 31 August 2017, £300 was payable to The Baron Homes Corporation Limited (2016: nil).

All these companies are under common control.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.