

CARNEGIE CAPITAL ESTATES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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CARNEGIE CAPITAL ESTATES LIMITED

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CARNEGIE CAPITAL ESTATES LIMITED

COMPANY INFORMATION

Directors G S Mohain (appointed 1 June 2017)
M N Jonas

Registered number 08749318

Registered office 2nd Floor
7 Portman Mews South
London
W1H 6AY

CARNEGIE CAPITAL ESTATES LIMITED

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

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

Directors

The directors who served during the year were:

A P Bradshaw (resigned 7 September 2017)

G S Mohain (appointed 1 June 2017)

M N Jonas

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

**M N Jonas
Director**

Date:


13^E September 2018

CARNEGIE CAPITAL ESTATES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	L	438,047	-
Gross profit		<u>438,047</u>	<u>-</u>
Administrative expenses		(307,123)	(5,449)
Operating profit/(loss)		<u>130,924</u>	<u>(5,449)</u>
Interest receivable and similar income		205	-
Interest payable and expenses		(1,426,031)	(1,361,780)
Loss before tax		<u>(1,294,902)</u>	<u>(1,367,229)</u>
Loss for the financial year		<u>(1,294,902)</u>	<u>(1,367,229)</u>
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		6,174,866	-
Other comprehensive income for the year		<u>6,174,866</u>	<u>-</u>
Total comprehensive income for the year		<u><u>4,879,964</u></u>	<u><u>(1,367,229)</u></u>

CARNEGIE CAPITAL ESTATES LIMITED
REGISTERED NUMBER: 08749318

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property	3	22,960,000	12,452,798
		<u>22,960,000</u>	<u>12,452,798</u>
Current assets			
Debtors: amounts falling due after more than one year	4	-	5,321
Debtors: amounts falling due within one year	4	-	181,988
Cash at bank and in hand	5	1,770,458	418,728
		<u>1,770,458</u>	<u>606,037</u>
Creditors: amounts falling due within one year	6	(8,815,411)	(10,489,895)
Net current liabilities		<u>(7,044,953)</u>	<u>(9,883,858)</u>
Total assets less current liabilities		<u>15,915,047</u>	<u>2,568,940</u>
Creditors: amounts falling due after more than one year	7	(11,298,256)	(4,832,113)
Net assets/(liabilities)		<u><u>4,616,791</u></u>	<u><u>(2,263,173)</u></u>
Capital and reserves			
Called up share capital		2,916,223	916,223
Revaluation reserve		6,174,866	-
Profit and loss account		(4,474,298)	(3,179,396)
		<u><u>4,616,791</u></u>	<u><u>(2,263,173)</u></u>

CARNEGIE CAPITAL ESTATES LIMITED
REGISTERED NUMBER: 08749318

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

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 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 by:

M N Jonas
Director



Date:

13th September, 2018

The notes on pages 7 to 13 form part of these financial statements.

CARNEGIE CAPITAL ESTATES LIMITED

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

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2016	889,095	-	(1,812,167)	(923,072)
Loss for the year	-	-	(1,367,229)	(1,367,229)
Shares issued during the year	27,128	-	-	27,128
At 1 January 2017	916,223	-	(3,179,396)	(2,263,173)
Loss for the year	-	-	(1,294,902)	(1,294,902)
Surplus on revaluation of freehold property	-	6,174,866	-	6,174,866
Shares issued during the year	2,000,000	-	-	2,000,000
At 31 December 2017	2,916,223	6,174,866	(4,474,298)	4,616,791

CARNEGIE CAPITAL ESTATES LIMITED

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

1. Accounting policies

1.1 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 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 following principal accounting policies have been applied:

1.2 Going concern

The financial statements have been prepared on a going concern basis. The directors consider this to be appropriate given the strength of the balance sheet.

1.3 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.

Revenue presents rental income, exclusive of Value Added Tax, which is recognised on a receivable basis.

1.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.5 Investment property

Investment property is carried at fair value determined annually by 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. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

CARNEGIE CAPITAL ESTATES LIMITED

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

1. Accounting policies (continued)

1.6 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.

1.7 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.

1.8 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.

1.9 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.

1.10 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.

1.11 Interest income

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

CARNEGIE CAPITAL ESTATES LIMITED

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

1. Accounting policies (continued)

1.12 Borrowing costs

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

2. Taxation

	2017 £	2016 £
Total current tax	<u>-</u>	<u>-</u>

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 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(1,294,902)</u>	<u>(1,367,229)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(249,269)	(273,446)
Effects of:		
Unrelieved tax losses carried forward	249,269	273,446
Total tax charge for the year	<u>-</u>	<u>-</u>

CARNEGIE CAPITAL ESTATES LIMITED

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

3. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017	12,452,798
Additions at cost	4,332,336
Surplus on revaluation	6,174,866
At 31 December 2017	22,960,000

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	16,785,134	12,452,798
	<u>16,785,134</u>	<u>12,452,798</u>

4. Debtors

	2017 £	2016 £
Due after more than one year		
Trade debtors	-	4,111
Prepayments and accrued income	-	1,210
	<u>-</u>	<u>5,321</u>
	<u>-</u>	<u>5,321</u>
Due within one year		
Other debtors	-	181,988
	<u>-</u>	<u>181,988</u>
	<u>-</u>	<u>181,988</u>

CARNEGIE CAPITAL ESTATES LIMITED

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

5. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	1,770,458	418,728
	<u>1,770,458</u>	<u>418,728</u>

6. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Other loans	5,827,977	7,827,977
Trade creditors	4,375	1,095,442
Other taxation and social security	38,927	-
Other creditors	2,646,871	1,509,476
Accruals and deferred income	297,261	57,000
	<u>8,815,411</u>	<u>10,489,895</u>

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

	2017	2016
	£	£
Bank loans	11,042,055	4,555,484
Other creditors	256,201	276,629
	<u>11,298,256</u>	<u>4,832,113</u>

CARNEGIE CAPITAL ESTATES LIMITED

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

8. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Other loans	5,827,977	7,827,977
	<u>5,827,977</u>	<u>7,827,977</u>
Amounts falling due 1-2 years		
Bank loans	11,042,055	4,555,484
	<u>11,042,055</u>	<u>4,555,484</u>
	<u><u>16,870,032</u></u>	<u><u>12,383,461</u></u>

9. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	24,730,458	12,871,526
Financial assets that are debt instruments measured at amortised cost	-	187,309
	<u>24,730,458</u>	<u>13,058,835</u>
Financial liabilities		
Financial liabilities measured at amortised cost	20,113,667	(15,322,008)
	<u>20,113,667</u>	<u>(15,322,008)</u>

Financial assets measured at fair value through profit or loss comprise of cash and fixed asset investment properties.

Financial assets measured at amortised cost comprise of trade debtors, other debtors, prepayments and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals, deferred income, bank loans and other loans.

CARNEGIE CAPITAL ESTATES LIMITED

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

10. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
2,916,223 (2016 - 916,223) Ordinary shares of £1.00 each	<u>2,916,223</u>	<u>916,223</u>

On 6 February 2017, the company issued 2,000,000 ordinary shares at par.

11. Reserves

Revaluation reserve

The investment property revaluation reserve is used to record the difference between the historic cost of the investment property and the fair value at the balance sheet date.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

12. Controlling party

The ultimate controlling party is Marc Jonas.