Registered number: 09278548

# GRAVITA PROPERTY LIMITED

## DIRECTOR'S REPORT AND AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2019

**GRAVITA PROPERTY LIMITED**

## COMPANY INFORMATION

| | |
|---|---|
| **Director** | Mohamed Nadar |
| **Registered number** | 09278548 |
| **Registered office** | 31 Chertsey Street<br>Guildford<br>Surrey<br>GU1 4HD |
| **Independent auditor** | PKF Littlejohn LLP<br>Statutory Auditor<br>15 Westferry Circus<br>Canary Wharf<br>London<br>E14 4HD |

GRAVITA PROPERTY LIMITED

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GRAVITA PROPERTY LIMITED

**DIRECTOR'S REPORT**
**FOR THE YEAR ENDED 31 DECEMBER 2019**

The director presents his report and the financial statements for the year ended 31 December 2019.

**Principal activity**

The principal activity of the Company is to provide property services on behalf of its Parent Company, Totta Investments Ltd.

**Director**

The director who served during the year was:

Mohamed Nadar

**Disclosure of information to auditor**

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

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

This report was approved by the board on 02/12/20 and signed on its behalf.

Mohamed Nadar
Director

## DIRECTOR'S RESPONSIBILITIES STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2019

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAVITA PROPERTY LIMITED

### Opinion

We have audited the financial statements of Gravita Property Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAVITA PROPERTY LIMITED (CONTINUED)

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was 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 Director's Report and from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

As explained more fully in the Director's Responsibilities Statement on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for 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 the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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 an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAVITA PROPERTY LIMITED (CONTINUED)

### Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

PKF Littlejohn LLP

Timothy Herbert (Senior Statutory Auditor)

for and on behalf of
**PKF Littlejohn LLP**

Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 2 December 2020

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

| | 2019 £ | *2018 £* |
|---|---|---|
| Turnover | **276,964** | *33,000* |
| Administrative expenses | **(270,208)** | *(24,982)* |
| **Operating profit** | **6,756** | *8,018* |
| Tax on profit | **(1,594)** | *(2,853)* |
| **Profit after tax** | **5,162** | *5,165* |
| Retained earnings at the beginning of the year | **19,320** | *14,155* |
| | **19,320** | *14,155* |
| Profit for the year | **5,162** | *5,165* |
| **Retained earnings at the end of the year** | **24,482** | *19,320* |

The notes on pages 8 to 13 form part of these financial statements.

**GRAVITA PROPERTY LIMITED**
**REGISTERED NUMBER: 09278548**

**BALANCE SHEET**
**AS AT 31 DECEMBER 2019**

| | Note | | 2019 £ | | *2018 £* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 4 | | - | | *97* |
| | | | - | | *97* |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 5 | 1,320,386 | | *995,748* | |
| Cash at bank and in hand | | 129,420 | | - | |
| | | 1,449,806 | | *995,748* | |
| Creditors: amounts falling due within one year | 6 | (1,425,323) | | *(976,524)* | |
| **Net current assets** | | | 24,483 | | *19,224* |
| **Total assets less current liabilities** | | | 24,483 | | *19,321* |
| **Net assets** | | | 24,483 | | *19,321* |
| **Capital and reserves** | | | | | |
| Called up share capital | | | 1 | | *1* |
| Profit and loss account | | | 24,482 | | *19,320* |
| | | | 24,483 | | *19,321* |

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 were approved and authorised for issue by the board and were signed on its behalf on 02/12/20

Mohamed Nadar
Director

The notes on pages 8 to 13 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2019

### 1. General information

Gravita Property Limited is a private company, limited by shares and incorporated and domiciled in England. The address of the registered office is 31 Chertsey Street, Guildford, GU1 4HD.

The principal activity of the Company is to provide property services on behalf of its Parent Company, Totta Investments Ltd.

### 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 following principal accounting policies have been applied:

#### 2.2 Going concern

The Director considers the Company to be a going concern as it is supported by its parent company, Totta Investments Limited, which has agreed to provide continued support for at least a period of 12 months following the date of approval of these financial statements. However, given the potential impact of the COVID-19 virus on both the parent company's and Company's future activity, there is a degree of uncertainty on the parent company's ability to continue to provide such support. The Director has made enquiries and assessed the potential impact of the COVID-19 virus on the Company and taking this into account, believes that the Company has adequate resources, assisted by continued support to be provided by the parent Company, to continue in operational existence for the foreseeable future. Thus the Director continues to adopt the going concern basis of accounting in preparing the Company's financial statements.

#### 2.3 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

#### 2.4 Revenue

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts. Revenue is recognised in the period the services are provided.

## 2. Accounting policies (continued)

### 2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

### 2.6 Taxation

Tax is recognised in profit or loss 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.

### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Computer equipment | - | 25% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.8 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.

### 2.9 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

## 2. Accounting policies (continued)

### 2.10 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.

### 2.11 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 3. Employees

The average monthly number of employees, including directors, during the year was 2 *(2018 - 1)*.

## 4. Tangible fixed assets

| | Office equipment £ |
|---|---|
| **Cost** | |
| At 1 January 2019 | **1,566** |
| At 31 December 2019 | **1,566** |
| **Depreciation** | |
| At 1 January 2019 | **1,469** |
| Charge for the year on owned assets | **97** |
| At 31 December 2019 | **1,566** |
| **Net book value** | |
| At 31 December 2019 | **-** |
| *At 31 December 2018* | *97* |

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2019

### 5. Debtors

| | 2019 £ | *2018 £* |
|---|---|---|
| Amounts owed by group undertakings | **1,301,329** | *951,366* |
| Other debtors | **16,557** | *11,382* |
| Prepayments and accrued income | **2,500** | *33,000* |
| | **1,320,386** | *995,748* |

### 6. Creditors: Amounts falling due within one year

| | 2019 £ | *2018 £* |
|---|---|---|
| Trade creditors | **-** | *1,639* |
| Amounts owed to group undertakings | **1,349,647** | *951,229* |
| Corporation tax | **4,136** | *5,610* |
| Other taxation and social security | **40,379** | *1,522* |
| Other creditors | **7,091** | *7,865* |
| Accruals and deferred income | **24,070** | *8,659* |
| | **1,425,323** | *976,524* |

### 7. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | *2018 £* |
|---|---|---|
| Not later than 1 year | **8,083** | *-* |
| | **8,083** | *-* |

## 8. Related party transactions

As at 31 December 2019, the Company was owed £533,469 (2018 - £358,487) from Kings Road Property Ltd, a fellow group company. No interest is charged on this balance.

As at 31 December 2019, the Company was owed £767,860 (2018 - £592,878) from Mosaic Properties International Limited, a fellow group company. No interest is charged on this balance.

As at 31 December 2019, the company owed £1,319,647 (2018 - £921,229) to Totta Investments Ltd, its ultimate parent company. No interest is charged on this balance.

As at 31 December 2019, the company owed £30,000 (2018 - £30,000) to HALJ Inv LLC, a fellow group related entity. No interest is charged on this balance.

## 9. Post balance sheet events

The COVID-19 virus is a global situation which has arisen post balance sheet date, the assessment of this situation will need continued attention and will evolve over time. The rapid development and fluidity of the COVID-19 virus will make it difficult to predict the ultimate impact at this stage. In line with most experts, we believe that the impact of the virus outbreak will be material on the general economy. Management is in the process of assessing the impact of COVID-19 on the Company, however, given the fluidity and significant volatility of the situation, it is not possible to quantify the impact at this stage.