

REGISTERED NUMBER: 10716194 (England and Wales)

PARK PLACE QUEENSWAY LTD

AUDITED FILLETED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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PARK PLACE QUEENSWAY LTD

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FOR THE YEAR ENDED 31 MARCH 2020

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PARK PLACE QUEENSWAY LTD

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2020

DIRECTOR:

Mr Sukru Alibasic (Appointed 10 February 2021)
Mr Mohammed Iqbal (Resigned 10 February 2021)

REGISTERED OFFICE:

338a Regents Park Road
Office 3 and 4
London
England
N3 2LN

REGISTERED NUMBER:

10716194 (England and Wales)

ACCOUNTANTS:

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

PARK PLACE QUEENSWAY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Stocks	5	1,945,000		3,108,114	
Debtors	6	40,820		340,733	
Cash at bank and in hand	7	975		617	
		<u>1,986,795</u>		<u>3,449,464</u>	
Creditors: Amounts falling due within one year	8	<u>(1,495,806)</u>		<u>(1,485,625)</u>	
Net Current Assets			490,989		1,963,839
Net Assets			<u>490,989</u>		<u>1,963,839</u>
Capital and reserves					
Called up share capital	9		2		2
Share Premium	10		1,699,999		1,699,999
Retained profit and loss account			(1,209,012)		263,838
			<u>490,989</u>		<u>1,963,839</u>

The financial statements of Park Place Queensway Ltd, registered number 10716194, 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 company has opted not to file the statement of comprehensive income in accordance with the provisions applicable to the small companies' regime.

The financial statements were approved and authorised for issue by the Director signed by:



.....
Mr Sukru Alibasic
Director
Date: 6 August 2021

The notes on pages 3 to 6 form part of these financial statements.

PARK PLACE QUEENSWAY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1 Statutory information

Park Place Queensway Ltd is a private company, limited by shares, registered in England and Wales, registration number 10716194. The address of the registered office is 338a Regents Park Road, Office 3 and 4, London N3 2LN.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied unless otherwise stated.

The following principal accounting policies have been applied:

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 judgement in applying the company's accounting policies.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Director is satisfied that the Company has the resources to continue in business for the foreseeable future, which has been taken as being at least twelve months from the date of approval of the financial statements. In forming this assessment, the Director has considered cashflow projections covering a period of at least twelve months from the date of approval of the financial statements considering the impact of COVID-19.

Notwithstanding this assessment, the Director recognises that there is an issue which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

As detailed in note 8, the Company has entered into a new loan facility subsequent to the year-end. The loan facility is subject to financial covenants, which have been breached at the date of signing the financial statements. Whilst the Director has sought assurances from the lenders and has other mitigating actions available to him, he recognises that a solution is contingent upon other factors taking place. The Director is strongly of the view that the Company remains a going concern based upon the options available to them.

In spite of this, the Director recognises that the issue above may cast significant doubt on the Company's ability to continue as a going concern.

2.3 Turnover

Turnover represents rental income and is recognised on a straight line basis over the life of the lease. Lease incentives are amortised over the period of the lease. Amounts invoiced in advance are deferred accordingly and recognised in the period to which they relate.

2.4 Stocks

Land and building development costs are accounted for as stock of properties and is stated at the lower of cost and net realisable value. Cost is valued on the basis of direct costs plus attributable overheads including capitalised interest (see note 2.10). No element of profit is included in the valuation of land and buildings development costs.

The impairment of stock is based upon an external market valuation of the property, estimating the net realisable value. As at 31 March 2020, the rapid spread of COVID-19 has disrupted activity in real estate markets creating heightened valuation uncertainty. As a result, the Director notes the uncertainty in the valuation highlighted in the valuation report including a clause which highlights a 'material valuation uncertainty'. This clause serves as a precaution and does not invalidate the valuation and does not mean the valuation cannot be relied upon. Rather, it is intended to highlight that due to extraordinary circumstances, less certainty can be attached to the valuation than would otherwise be the case. The director has considered this clause in the valuation report when assessing the net realisable value of the stock in the financial statements, and whilst considering the valuation to be appropriate, recognise the lack of comparable evidence at the year-end.

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 the statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 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 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.

2.7 Financial instruments

The company only enters into basic financial instruments 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.

PARK PLACE QUEENSWAY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2.7 Financial instruments (continued)

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 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.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.8 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.

2.9 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 the historical cost are translated using their 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'Finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operation income'.

2.10 Finance costs

Interest is capitalised as part of the land and buildings costs where the loan is directly attributable to property development. Where not directly attributable, finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a cost rate on the carrying amount.

2.11 Current and Deferred Taxation

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

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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and the laws that have been enacted or substantively enacted by the balance sheet date.

PARK PLACE QUEENSWAY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3 Employees

There were no employees, other than one Director, during the period under review (2019: One).

	2020	2019
	£	£
4 Corporation Tax		
Current tax for the period:		
(Loss)/Profit before taxation for the period	<u>(1,494,460)</u>	<u>211,901</u>
Corporation tax @ 19% on (loss) / profit for the period.	(283,947)	40,261
Corporation tax @19% on disallowable expenses	302,598	-
Corporation tax over provision for 2019	(40,261)	-
Corporation tax (credit) / charge for the period	<u>(21,610)</u>	<u>40,261</u>

5 Stocks

Land and buildings development costs	3,039,231	2,840,098
Finance costs	498,234	268,016
Write-down to Net Realisable Value	<u>(1,592,465)</u>	<u>-</u>
	<u>1,945,000</u>	<u>3,108,114</u>

Subsequent to year end the company obtained a valuation of the property, 69-75 Queensway, 4-12 Park Place and Park Place Chambers, Stevenage, SG1 1DP. The valuation concluded that at the balance sheet date, the carrying value of the property exceeded its net realisable value by £1,592,465. As a result, an impairment charge has been recognised in the 2020 financial year recognising the property at its net realisable value.

6 Debtors

Trade debtors	36,961	108,970
Amounts owed by parent undertaking	1,319	204,895
Other taxation and social security	-	24,241
Prepayments and accrued income	<u>2,540</u>	<u>2,627</u>
	<u>40,820</u>	<u>340,733</u>

7 Cash and cash equivalents

Cash at bank and in hand	<u>975</u>	<u>617</u>
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8 Creditors: amounts falling due within one year

Trade creditors	30,010	63,575
Amounts owed to fellow subsidiary undertakings	-	17,340
Other taxation and social security	4,209	40,261
Other creditors	9,500	17,120
Bank loan	1,360,406	1,305,005
Accruals and deferred income	48,523	42,324
Provision for service charge expense	<u>43,158</u>	<u>-</u>
	<u>1,495,806</u>	<u>1,485,625</u>

The bank loan facility has been secured by a first legal charge over the property held by the company and was due to be repaid on 14 March 2020.

On 10 February 2021 the Company entered into a new agreement with the lender extending the loan repayment date to 31 December 2022.

The Company incurred interest costs of £145,248 during the year (2019: £64,561) at a rate of 8.25% per annum.

The amounts owed to fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS
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	2020 £	2019 £
9 Called up Share capital		
100 Ordinary A shares of £0.01 each	1	1
100 Ordinary B shares of £0.01 each	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>
10 Share premium		
Issue of 100 Ordinary "B" shares at a premium of £16,999.99 per share	<u>1,699,999</u>	<u>1,699,999</u>

11 Parent company

The company's immediate and ultimate parent undertaking at 31 March 2020 was MBU Capital Limited, a company incorporated in England and Wales. Its registered office is 65 Curzon Street, Mayfair, London W1J 8PE. On 10 February 2021, MBU Capital Limited disposed of its share equity and non-equity interests in the Ordinary A shares and Ordinary B Shares to Sanjak Investments Ltd. Accordingly, from 10 February 2021 the ultimate parent undertaking of the Company was Sanjak Investments Ltd, a company incorporated in England and Wales. Its registered office is 338a Regents Park Road, Office 3 and 4, London, England, N3 2LN.

At year end, the largest and smallest group for which the group financial statements are prepared and of which the group is a member is MBU Capital Limited.

The ultimate controlling party at year end was Mohammed Iqbal. Following the sale of the company subsequent to year-end, the new ultimate controlling party is Sukru Alibasic.

12 Post Balance Sheet events

The impact of the COVID-19 outbreak on the financial performance of the Company will depend on future developments, including the duration and spread of the outbreak, the continuing restrictions and the impact of COVID-19 on the overall economy, all of which are highly uncertain and cannot be predicted. The financial impact on the Company cannot be quantified.

The bank loan facility has been secured by a first legal charge over the property held by the company and was due to be repaid on 14 March 2020. On 28th May 2020 the parties mutually agreed to amend the termination date to 14 July 2020.

On 10 February 2021, MBU Capital Limited disposed of its share equity and non-equity interests in the Ordinary A shares and Ordinary B Shares to Sanjak Investments Ltd.

On 10 February 2021 the Company entered into a new agreement with the lender further extending the loan repayment date to 31 December 2022.

13 Comparative Information

The financial information for the period ended 31 March 2019 has not been subject to audit.

14 Auditors information

The auditors' report on the financial statements for the year ended 31 March 2020 was unqualified.

In their report, the auditors emphasised the following matters without qualifying their report:

We draw attention to note 2.2 in the financial statements, which details the breach in the loan covenant subsequent to the year-end. As stated in note 2.2, these events and conditions indicate that material uncertainties exist that may cast significant doubt on the ability of the Company to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

We draw attention to note 2.4 of the financial statements which describes the judgements and estimates made by the director in assessing the impairment of stock at the year-end. The Director's assessment was supported by a professional external valuation which included reference to "material valuation uncertainty" as per VPS3 and VPGA 10 of the RICS Red Book Global as a result of COVID-19. The valuers considered that they could attach less weight to previous market evidence for comparison purposes to inform opinions on the value of the asset and that a higher degree of caution should be attached to their valuation.

The audit report was signed on 6 August 2021 by Sooreeyen Iyaroo (Senior Statutory Auditor) on behalf of Haysmacintyre LLP.