

Company Registration No. 10814024 (England and Wales)

CITYBLOCK LETTINGS (READING) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

PAGES FOR FILING WITH REGISTRAR

CITYBLOCK LETTINGS (READING) LIMITED

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CITYBLOCK LETTINGS (READING) LIMITED**BALANCE SHEET****AS AT 31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		4,714		4,542
Investment properties	4		20,500,000		20,500,000
			<u>20,504,714</u>		<u>20,504,542</u>
Current assets					
Debtors	5	372,958		239,548	
Cash at bank and in hand		207,273		343,674	
		<u>580,231</u>		<u>583,222</u>	
Creditors: amounts falling due within one year	6	(14,689,709)		(15,615,055)	
Net current liabilities			<u>(14,109,478)</u>		<u>(15,031,833)</u>
Total assets less current liabilities			6,395,236		5,472,709
Provisions for liabilities			<u>(793,045)</u>		<u>(694,485)</u>
Net assets			<u>5,602,191</u>		<u>4,778,224</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss reserves			5,602,190		4,778,223
Total equity			<u>5,602,191</u>		<u>4,778,224</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 28 February 2021 and are signed on its behalf by:

Mr J T Bargh
Director

Company Registration No. 10814024

CITYBLOCK LETTINGS (READING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

CityBlock Lettings (Reading) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 21 Castle Hill, Lancaster, LA1 1YN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company is dependent on the continued financial support of its parent company CityBlock Holdings Limited and its funders. The parent company, and its directors, have confirmed their commitment to provide the necessary support for the foreseeable future.

Since March 2020 there has been an escalation of measures taken within society to combat the Covid-19 pandemic. The directors consider the company and its group to have a sufficient level of working capital to see it through the upcoming months and therefore it remains wholly solvent at this time. The directors have confirmed that the group has the support of its funders to support its cash flow for the foreseeable future, and bookings for the September 2021 academic year remain strong.

The directors do not consider there to be a material uncertainty at this time, and there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The company extended its reporting period in the comparative period resulting in a 17 month period from 31 March to 31 August 2019, to align the year end with the academic year. The current period is a full 12 months to 31 August 2020 and therefore the two periods are not entirely comparable.

1.4 Turnover

Turnover represents rental income from student accommodation which is recognised on a straight line basis over the term of the student lease agreement.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years straight line
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CITYBLOCK LETTINGS (READING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CITYBLOCK LETTINGS (READING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CITYBLOCK LETTINGS (READING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (excluding directors who are not remunerated) employed by the company during the year was:

	2020 Number	2019 Number
Total	4	3

3 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 September 2019	7,184
Additions	3,850
At 31 August 2020	11,034
Depreciation and impairment	
At 1 September 2019	2,642
Depreciation charged in the year	3,678
At 31 August 2020	6,320
Carrying amount	
At 31 August 2020	4,714
At 31 August 2019	4,542

CITYBLOCK LETTINGS (READING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Investment property

	2020 £
Fair value	
At 1 September 2019 and 31 August 2020	20,500,000

Investment property comprises of the property held at 252-256 Kings Road, Reading. The fair value of the investment property has been arrived at on the basis of a valuation carried out on 5th March 2018 by Knight Frank Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors do not believe there to be a material change in the valuation of the property since it's last valuation.

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	332,480	195,678
Amounts owed by group undertakings	10,224	10,224
Other debtors	2,650	22,818
Prepayments and accrued income	27,604	10,828
	<u>372,958</u>	<u>239,548</u>

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	49,050	18,405
Amounts owed to group undertakings	14,088,033	14,786,145
Other creditors	552,626	810,505
	<u>14,689,709</u>	<u>15,615,055</u>

7 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

CITYBLOCK LETTINGS (READING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Audit report information

(Continued)

The senior statutory auditor was Jenny McCabe.
The auditor was MHA Moore and Smalley.

9 Financial commitments, guarantees and contingent liabilities

The assets of the company are offered as security as part of a cross party guarantee with the company's immediate parent company, CityBlock (Reading) Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.