

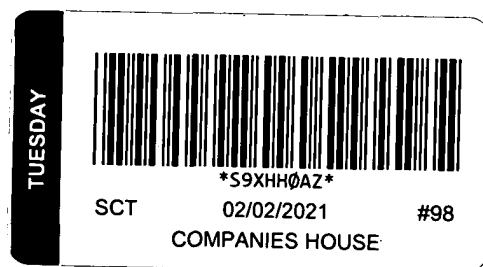
LPBZ Commercial Ltd

Unaudited Financial Statements

Year Ended

28 February 2020

Company Number SC470612



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LPBZ Commercial Ltd

Company Information

Directors	L P Benzies P D Johnston
Registered number	SC470612
Registered office	Caledonian Exchange 19a Canning Street Edinburgh EH3 8HE
Accountants	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD

LPBZ Commercial Ltd

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LPBZ Commercial Ltd

Chartered accountants' report to the board of directors on the preparation of the unaudited financial statements of LPBZ Commercial Ltd for the year ended 28 February 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of LPBZ Commercial Ltd for the year ended 28 February 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

It is your duty to ensure that LPBZ Commercial Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of LPBZ Commercial Ltd. You consider that LPBZ Commercial Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of LPBZ Commercial Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

This report is made solely to the board of directors of LPBZ Commercial Ltd, as a body, in accordance with the terms of our engagement letter dated 21 September 2018. Our work has been undertaken solely to prepare for your approval the accounts of LPBZ Commercial Ltd and state those matters that we have agreed to state to the board of directors of LPBZ Commercial Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LPBZ Commercial Ltd and its board of directors as a body for our work or for this report.

BDO W3

BDO LLP
Chartered Accountants
Edinburgh
United Kingdom

2 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LPBZ Commercial Ltd
Registered number: SC470612

Balance sheet
As at 28 February 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	7	4,181	3,543
Investment property	8	11,991,922	9,372,243
		<u>11,996,103</u>	<u>9,375,786</u>
Current assets			
Debtors: amounts falling due within one year	9	1,636,756	1,296,958
Cash at bank and in hand	10	542,248	364,560
		<u>2,179,004</u>	<u>1,661,518</u>
Creditors: amounts falling due within one year	11	(10,940,709)	(8,072,266)
Net current liabilities		<u>(8,761,705)</u>	<u>(6,410,748)</u>
Total assets less current liabilities		<u>3,234,398</u>	<u>2,965,038</u>
Provisions for liabilities			
Deferred tax	12	(133,912)	(133,912)
		<u>(133,912)</u>	<u>(133,912)</u>
Net assets		<u><u>3,100,486</u></u>	<u><u>2,831,126</u></u>

LPBZ Commercial Ltd
Registered number: SC470612

Balance sheet (continued)
As at 28 February 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital	13	100	100
Fair value reserve	14	517,894	517,894
Profit and loss account	14	2,582,492	2,313,132
		<u>3,100,486</u>	<u>2,831,126</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 the Companies Act 2006.

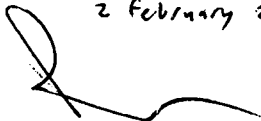
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
2 February 2021.



P D Johnston
Director

The notes on pages 5 to 12 form part of these financial statements.

LPBZ Commercial Ltd

Statement of changes in equity For the year ended 28 February 2020

	Called up share capital	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 March 2019	100	517,894	2,313,132	2,831,126
Comprehensive income for the year				
Profit for the year	-	-	269,360	269,360
Total comprehensive income for the year	-	-	269,360	269,360
At 28 February 2020	100	517,894	2,582,492	3,100,486

The notes on pages 5 to 12 form part of these financial statements.

Statement of changes in equity For the year ended 28 February 2019

	Called up share capital	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 March 2018	100	993,350	1,314,329	2,307,779
Comprehensive income for the year				
Profit for the year	-	-	523,347	523,347
Movement from profit and loss account	-	(475,456)	-	(475,456)
Total comprehensive income for the year	-	(475,456)	523,347	47,891
Movement to fair value reserve	-	-	475,456	475,456
At 28 February 2019	100	517,894	2,313,132	2,831,126

The notes on pages 5 to 12 form part of these financial statements.

LPBZ Commercial Ltd

Notes to the financial statements For the year ended 28 February 2020

1. General information

LPBZ Commercial Ltd is a company incorporated in Scotland under the Companies Act. The address of the registered office and the company number is given on the information page and the nature of the company's principal activity is set out in the directors' report.

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 (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company made a profit of £269,360 (2019 - £523,347), has net current liabilities of £8,761,705 (2019 - £6,410,748) and has net assets of £3,100,486 (2019 - £2,831,126). The directors of the company are currently assessing the impact of COVID-19. The directors are continually reviewing their plans and forecasts and directors believe that the going concern basis is appropriate as the company has the continued support of related parties and the controlling party. This support has confirmed as being in place. These financial statements do not include any adjustment that would be necessary should this support be withdrawn.

2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.4 Finance costs

Finance costs are charged to profit or loss 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.

2.5 Turnover

Turnover represents the invoiced value, net of Value Added Tax, of rent, property sales and other charges receivable during the year.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

LPBZ Commercial Ltd

Notes to the financial statements For the year ended 28 February 2020

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 laws that have been enacted or substantively enacted by the balance sheet date.

2.8 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:

Fixtures, fittings & equipment	-	10% straight line
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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.

2.9 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 profit or loss.

LPBZ Commercial Ltd

Notes to the financial statements For the year ended 28 February 2020

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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.

2.13 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 comprehensive income.

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.

LPBZ Commercial Ltd

Notes to the financial statements For the year ended 28 February 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 8)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Investment property (see note 9)

Investment property comprises short and long term rental properties. The fair value of the investment property at 28 February 2020 has been arrived at on the basis of a valuation carried out at that date by the director. The valuation has been made on an open market basis by reference to market evidence of transaction prices or similar properties.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation - fixtures and fittings	445	1,364

6. Employees

The average monthly number of employees, including directors, during the year was 2 (2019 - 1).

LPBZ Commercial Ltd

Notes to the financial statements For the year ended 28 February 2020

7. Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 March 2019	4,162
Additions	1,083
At 28 February 2020	<u>5,245</u>
Depreciation	
At 1 March 2019	619
Charge for the year on owned assets	445
At 28 February 2020	<u>1,064</u>
Net book value	
At 28 February 2020	<u><u>4,181</u></u>
At 28 February 2019	<u><u>3,543</u></u>

LPBZ Commercial Ltd

Notes to the financial statements For the year ended 28 February 2020

8. Investment property

	Freehold investment property £
Valuation	
At 1 March 2019	9,372,243
Additions at cost	2,619,679
At 28 February 2020	11,991,922

The 2020 valuations were made by the director, on an open market value for existing use basis.

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

	2020 £	2019 £
Historic cost	11,403,245	8,783,566

9. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	1,401,204	1,223,551
Other debtors	119,204	70,424
Prepayments and accrued income	116,348	2,983
	1,636,756	1,296,958

10. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	542,248	364,560
Less: bank overdrafts	(191)	-
	542,057	364,560

LPBZ Commercial Ltd

Notes to the financial statements For the year ended 28 February 2020

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	191	-
Trade creditors	133,232	1,644
Amounts owed to group undertakings	904,595	-
Corporation tax	19,445	72,000
Other taxation and social security	-	734
Other creditors	9,852,247	7,967,241
Accruals and deferred income	30,999	30,647
	<u>10,940,709</u>	<u>8,072,266</u>

12. Deferred taxation

	2020 £
At beginning of year	(133,912)
Charged to profit or loss	-
At end of year	<u>(133,912)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Property revaluations	(133,912)	(133,912)
	<u>(133,912)</u>	<u>(133,912)</u>

LPBZ Commercial Ltd

Notes to the financial statements For the year ended 28 February 2020

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. Reserves

Fair value reserve

The fair value reserve represents the accumulated unrealised gains and loss on the revaluations of the investment property net of deferred tax.

Profit and loss account

The profit and loss account represents the accumulated profits and losses on the activities of the company.

15. Related party transactions

The entity has taken advantage of the exemption included within FRS 102 not to disclose transactions with wholly owned subsidiaries within the group.

Included within other debtors is an amount of £530 (2019 - £530) due from Build A Rocket Boy Limited, a company under the same control as LPBZ Commercial Ltd.

Included within other debtors is an amount of £6,302 (2019 - £6,302) due from Build A Rocket Boy Games Limited, a company under the same control as LPBZ Commercial Ltd.

Included within other creditors is a loan of £9,816,619 (2019 - £7,931,613) due to L P Benzies, the director. During the year the company repaid £64,994 in rent and had additional loans of £1,950,000.

16. Controlling party

The company is controlled by L P Benzies, the director and only shareholder.