

P & F PROPERTIES (KERSAL VALE) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

P & F PROPERTIES (KERSAL VALE) LIMITED

COMPANY INFORMATION

Directors

Mark Pears CBE
Sir Trevor Pears CMG
David Pears
Jonathan Flax
WPG Registrars Limited

Company secretary

William Bennett

Registered number

6340684

Registered office

Ground Floor
30 City Road
London
EC1Y 2AB

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P & F PROPERTIES (KERSAL VALE) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2018**

The directors present their report and the financial statements for the year ended 30 April 2018.

Principal activity

The principal activity of the company is property dealing.

Directors

The directors who served during the year were:

Mark Pears CBE
Sir Trevor Pears CMG
David Pears
Jonathan Flax
WPG Registrars Limited

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 on 22 November 2018 and signed on its behalf.

William Bennett
Secretary

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P & F PROPERTIES (KERSAL VALE) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2018**

	Note	2018 £	2017 £
Cost of sales	3	(5,305)	(5,591)
Gross loss	3	(5,305)	(5,591)
Administrative expenses		(6,600)	(6,600)
Operating loss		(11,905)	(12,191)
Interest payable and expenses	5	(412,337)	(386,427)
Loss before tax		(424,242)	(398,618)

Tax on loss	6	-	-
Loss for the financial year		<u>(424,242)</u>	<u>(398,618)</u>
Total comprehensive income for the year		<u>(424,242)</u>	<u>(398,618)</u>

The notes on pages 5 to 9 form part of these financial statements.

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P & F PROPERTIES (KERSAL VALE) LIMITED
REGISTERED NUMBER: 6340684

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2018

	Note		2018 £	2017 £
Current assets				
Stocks	7	2,879,812	2,770,000	
Debtors: amounts falling due within one year	8	3,356	-	
Cash at bank and in hand	9	6,701	1,165	
		<u>2,889,869</u>	<u>2,771,165</u>	

Creditors: amounts falling due within one year	10	(8,597,980)	(8,055,034)
Net current liabilities		(5,708,111)	(5,283,869)
Net liabilities		<u>(5,708,111)</u>	<u>(5,283,869)</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		(5,709,111)	(5,284,869)
Total equity		<u>(5,708,111)</u>	<u>(5,283,869)</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 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 were approved and authorised for issue by the board and were signed on its behalf on 22 November 2018.

David Pears
Director

The notes on pages 5 to 9 form part of these financial statements.

P & F PROPERTIES (KERSAL VALE) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2017	1,000	(5,284,869)	(5,283,869)
Comprehensive income for the year			
Loss for the year	-	(424,242)	(424,242)
Total comprehensive income for the year	-	(424,242)	(424,242)
At 30 April 2018	<u>1,000</u>	<u>(5,709,111)</u>	<u>(5,708,111)</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2016	1,000	(4,886,251)	(4,885,251)
Comprehensive income for the year			
Loss for the year	-	(398,618)	(398,618)
Total comprehensive income for the year	-	(398,618)	(398,618)
At 30 April 2017	<u>1,000</u>	<u>(5,284,869)</u>	<u>(5,283,869)</u>

The notes on pages 5 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

1. General information

P & F Properties (Kersal Vale) Limited is a private company limited by shares in England and Wales. The registered office is Ground Floor, 30 City Road, London, EC1Y 2AB. The principal place of business is Haskell House, 152 West End, London, NW6 1SD.

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 other than where additional disclosure is required to show a true and fair view. The company's functional and presentational currency is GBP and rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis even though the company has net liabilities of £5,708,111 (2017 - £5,283,869). The validity of the going concern concept is dependent on the continuing support from creditors. The directors believe that the going concern concept is applicable as the company will be able to meet its debts as and when they fall due.

2.3 Property transactions

Purchases and sales of properties are included on the basis of completions occurring during the year.

2.4 Borrowing costs

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

2.5 Taxation

Tax is recognised in the Statement of comprehensive income, 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 reporting date in the countries where the Company operates and generates income.

2.6 Stocks

Stocks of properties are valued at the lower of cost and estimated selling price less cost to complete and sell. At each reporting 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 Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 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.

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 reporting date.

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.

P & F PROPERTIES (KERSAL VALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

3. Turnover

All turnover arose within the United Kingdom.

	Turnover 2018	Turnover 2017	Cost of sales 2018	Cost of sales 2017	Gross loss 2018	Gross loss 2017
	£	£	£	£	£	£
Sales of trading stock properties	-	-	(5,305)	(5,591)	(5,305)	(5,591)
Rental and other income	-	-	-	-	-	-
Total	-	-	(5,305)	(5,591)	(5,305)	(5,591)

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Directors	<u>4</u>	<u>4</u>

5. Interest payable and similar charges

	2018 £	2017 £
Sundry loan interest payable	<u>412,337</u>	<u>386,427</u>

6. Taxation

	2018 £	2017 £
Total current tax	<u>-</u>	<u>-</u>

P & F PROPERTIES (KERSAL VALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(424,242)</u>	<u>(398,618)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(80,606)	(79,724)
Effects of:		
Unrelieved tax losses carried forward	80,606	79,724
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Stocks

	2018 £	2017 £
Freehold property	<u>2,879,812</u>	<u>2,770,000</u>

8. Debtors

	2018 £	2017 £
Other debtors	<u>3,356</u>	<u>-</u>

9.
Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	6,701	1,165

P & F PROPERTIES (KERSAL VALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Sundry loan	8,556,374	7,996,180
Other creditors	-	19,392
Accruals and deferred income	41,606	39,462
	<u>8,597,980</u>	<u>8,055,034</u>

11. Related party transactions

Creditors include an amount of £8,556,374 (2017 - £7,996,180) owed to WPG Treasury Limited, a company in which the directors Mark Pears, Sir Trevor Pears and David Pears have an interest. The financial statements include a charge for interest of £412,337 (2017 - £386,427) payable to that company.

The financial statements also include an accountancy fee of £6,600 (2017 - £6,600) payable to The William Pears Group of Companies Limited, a company in which Mark Pears, Sir Trevor Pears and David Pears have an interest.