

Company Registration No. 00377802 (England and Wales)

FORTY TWO INVESTMENT COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

FORTY TWO INVESTMENT COMPANY LIMITED

COMPANY INFORMATION

Directors	A L Ainslie A M P Avierino M Avierino
Secretary	A L Ainslie
Company number	00377802
Registered office	Edelman House 1238 High Road Whetstone London N20 0LH
Accountants	Gerald Edelman 73 Cornhill London EC3V 3QQ

FORTY TWO INVESTMENT COMPANY LIMITED

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FORTY TWO INVESTMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 25 MARCH 2017

	2017	2016
	£	£
Profit for the year	508,264	36,101
Other comprehensive income	-	-
Total comprehensive income for the year	<u>508,264</u>	<u>36,101</u>

FORTY TWO INVESTMENT COMPANY LIMITED

BALANCE SHEET

AS AT 25 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investment properties	2		2,200,000		1,630,000
Current assets					
Debtors	3	46,589		91,390	
Cash at bank and in hand		102,645		101,827	
		<u>149,234</u>		<u>193,217</u>	
Creditors: amounts falling due within one year	4	<u>(38,393)</u>		<u>(84,759)</u>	
Net current assets			110,841		108,458
Total assets less current liabilities			<u>2,310,841</u>		<u>1,738,458</u>
Creditors: amounts falling due after more than one year	5		-		(12,381)
Provisions for liabilities	7		<u>(435,521)</u>		<u>(321,521)</u>
Net assets			<u>1,875,320</u>		<u>1,404,556</u>
Capital and reserves					
Called up share capital			1,000		1,000
Other reserves	8		1,286,984		1,286,984
Profit and loss reserves			<u>587,336</u>		<u>116,572</u>
Total equity			<u>1,875,320</u>		<u>1,404,556</u>

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

For the financial year ended 25 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

FORTY TWO INVESTMENT COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 25 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on 20 July 2017 and are signed on its behalf by:

M Avierino
Director

Company Registration No. 00377802

FORTY TWO INVESTMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 25 MARCH 2017

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 26 March 2015	1,000	1,607,605	900	105,471	1,714,976
Effect of transition to FRS 102	-	(1,607,605)	1,286,084	-	(321,521)
As restated	1,000	-	1,286,984	105,471	1,393,455
Year ended 25 March 2016:					
Profit and total comprehensive income for the year	-	-	-	36,101	36,101
Dividends	-	-	-	(25,000)	(25,000)
Balance at 25 March 2016	1,000	-	1,286,984	116,572	1,404,556
Year ended 25 March 2017:					
Profit and total comprehensive income for the year	-	-	-	508,264	508,264
Dividends	-	-	-	(37,500)	(37,500)
Balance at 25 March 2017	1,000	-	1,286,984	587,336	1,875,320

FORTY TWO INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25 MARCH 2017

1 Accounting policies

Company information

Forty Two Investment Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Edelman House, 1238 High Road, Whetstone, London, N20 0LH.

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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 25 March 2017 are the first financial statements of Forty Two Investment Company Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 26 March 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

1.2 Turnover

Turnover represents rents receivable which arise wholly with the United Kingdom. Income is recognised over the period of the tenancy agreement.

1.3 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. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 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.

FORTY TWO INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2017

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors that are classified as debt, 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.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 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.

FORTY TWO INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2017

1 Accounting policies

(Continued)

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, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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.

2 Investment property

2017

£

Fair value

At 26 March 2016

1,630,000

Revaluations

570,000

At 25 March 2017

2,200,000

Investment property comprises 95 and 103/105 The Broadway, NW7 3TG. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 25 March 2017 by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	22,395	22,395
Accumulated depreciation	-	-
Carrying amount	22,395	22,395

FORTY TWO INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2017

3 Debtors		2017	2016
		£	£
Amounts falling due within one year:			
Trade debtors		3,852	89,890
Other debtors		42,737	1,500
		<u>46,589</u>	<u>91,390</u>
		<u><u>46,589</u></u>	<u><u>91,390</u></u>
4 Creditors: amounts falling due within one year		2017	2016
		£	£
Trade creditors		-	46,885
Corporation tax		13,766	9,025
Other creditors		24,627	28,849
		<u>38,393</u>	<u>84,759</u>
		<u><u>38,393</u></u>	<u><u>84,759</u></u>
5 Creditors: amounts falling due after more than one year		2017	2016
		£	£
Other creditors		-	12,381
		<u>-</u>	<u>12,381</u>
		<u><u>-</u></u>	<u><u>12,381</u></u>
<p>At the year end, an amount of £nil (2016: £12,381) was due from the company to the director and shareholder M Avierino. The amount was secured by way of a perpetual debenture, bearing interest at the rate of 1% per annum and charging by way of a floating charge on all the undertakings and assets of the company. The loan was fully repaid by the company to M Avierino on 1 September 2016.</p>			
6 Provisions for liabilities		2017	2016
		£	£
Deferred tax liabilities	7	435,521	321,521
		<u>435,521</u>	<u>321,521</u>
		<u><u>435,521</u></u>	<u><u>321,521</u></u>

FORTY TWO INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2017

7 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2017	2016
	£	£
Balances:		
Investment property	435,521	321,521
	<u> </u>	<u> </u>
		2017
Movements in the year:		£
Liability at 26 March 2016		321,521
Charge to profit and loss account		114,000
		<u> </u>
Liability at 25 March 2017		435,521
		<u> </u>

8 Other reserves

Included within other reserves are non-distributable reserves of £1,286,084 (2016: £1,286,084) which relates to the revaluation of investment property. Also included in other reserves is a reserve provided for by the Articles of Association of £900 (2016: £900).

9 Directors' transactions

Included within other debtors at the year end is an amount of £22,908 (2016: £650 creditor) due from the director, M Avierino. Interest amounting to £707 (2016: £nil) has been charged on the overdrawn balance during the year at a rate of 3%. The maximum balance outstanding during the year was £62,557 (2016: £nil).

There were the following advances during the year which were deemed material and exceeded £10,000.

September 2016 £37,500
March 2017 £25,000

There have been no other advances which individually were considered material and no other individual advances exceeding £10,000 to the director.

It is the intention of the director to repay this amount within nine months of the year end.

FORTY TWO INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2017

10 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 26 March 2015			At 25 March 2016		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Investment properties		1,630,000	-	1,630,000	1,630,000	-	1,630,000
Current assets							
Debtors		45,678	-	45,678	91,390	-	91,390
Bank and cash		81,525	-	81,525	101,827	-	101,827
		127,203	-	127,203	193,217	-	193,217
Creditors due within one year							
Loans and overdrafts		(650)	-	(650)	(650)	-	(650)
Taxation		(7,455)	-	(7,455)	(9,025)	-	(9,025)
Other creditors		(21,741)	-	(21,741)	(75,084)	-	(75,084)
		(29,846)	-	(29,846)	(84,759)	-	(84,759)
Net current assets		97,357	-	97,357	108,458	-	108,458
Total assets less current liabilities		1,727,357	-	1,727,357	1,738,458	-	1,738,458
Creditors due after one year							
Loans and overdrafts		(12,381)	-	(12,381)	(12,381)	-	(12,381)
Provisions for liabilities							
Deferred tax		-	-	-	(321,521)	-	(321,521)
Net assets		1,714,976	-	1,714,976	1,404,556	-	1,404,556
Capital and reserves							
Share capital		1,000	-	1,000	1,000	-	1,000
Revaluation reserve		1,607,605	-	1,607,605	-	-	-
Other reserves		900	-	900	1,286,984	-	1,286,984
Profit and loss		105,471	-	105,471	116,572	-	116,572
Total equity		1,714,976	-	1,714,976	1,404,556	-	1,404,556

FORTY TWO INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 25 MARCH 2017

10 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit for the financial period

	Year ended 25 March 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £
Notes			
Turnover	100,031	-	100,031
Administrative expenses	(54,950)	-	(54,950)
Interest receivable and similar income	45	-	45
Taxation	(9,025)	-	(9,025)
	<hr/>	<hr/>	<hr/>
Profit for the financial period	36,101	-	36,101
	<hr/>	<hr/>	<hr/>

Notes to reconciliations on adoption of FRS 102

Investment property

Under previous UK GAAP the company revalued investment properties to a revaluation reserve. On transition to FRS102, changes in the fair value has been made through the profit and loss account. The revaluation reserve has been credited to fair value reserve within other reserves. The comparative year revaluation of £nil has been made through the profit and loss account.

Deferred tax

Under previous UK GAAP, the company was not required to provide for taxation on revaluation of investment property. Under FRS102, deferred taxation is provided on the temporary difference arising from the revaluation. A deferred tax charge of £321,521 arose on transition to FRS102. In the year ending 25 March 2016 there is a tax credit of £nil.

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.