

COMPANY REGISTRATION NUMBER: 635814

CALLALOT INVESTMENT CO. LIMITED
FILLETED UNAUDITED FINANCIAL STATEMENTS
30 JUNE 2017



CALLALOT INVESTMENT CO. LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

CONTENTS	PAGE
Officers and professional advisers	1
Balance sheet	2
Notes to the financial statements	4

CALLALOT INVESTMENT CO. LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

Mr Leslie Frankel
Mr Joel Frankel
Mr Jack Frankel

COMPANY SECRETARY

Mrs Zisi Frankel

REGISTERED OFFICE

New Burlington House
1075 Finchley Road
London
NW11 0PU

CALLALOT INVESTMENT CO. LIMITED

BALANCE SHEET

30 JUNE 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Investment Properties	5	549,950	549,950
Investments	6	35	35
		<u>549,985</u>	<u>549,985</u>
CURRENT ASSETS			
Debtors	7	2,983,712	2,497,895
Cash at bank and in hand		286,832	530,558
		<u>3,270,544</u>	<u>3,028,453</u>
CREDITORS: amounts falling due within one year	8	<u>1,407,288</u>	<u>1,395,545</u>
NET CURRENT ASSETS		<u>1,863,256</u>	<u>1,632,908</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,413,241</u>	<u>2,182,893</u>
PROVISIONS			
Taxation including deferred tax		68,000	73,000
NET ASSETS		<u>2,345,241</u>	<u>2,109,893</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		2,345,141	2,109,793
SHAREHOLDERS FUNDS		<u>2,345,241</u>	<u>2,109,893</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the profit and loss account has not been delivered.

For the year ending 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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;
- 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 balance sheet
continues on the following page.

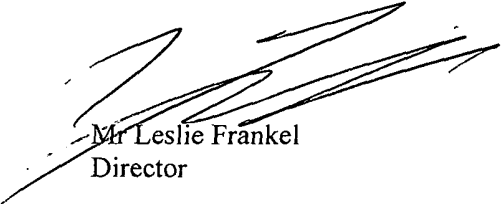
The notes on pages 4 to 10 form part of these financial statements.

CALLALOT INVESTMENT CO. LIMITED

BALANCE SHEET *(continued)*

30 JUNE 2017

These financial statements were approved by the board of directors and authorised for issue on ~~30-4-2018~~, and are signed on behalf of the board by:



Mr Leslie Frankel
Director

Company registration number: 635814

The notes on pages 4 to 10 form part of these financial statements.

CALLALOT INVESTMENT CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is New Burlington House, 1075 Finchley Road, NW11 0PU, London.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention except that investment property is measured at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the company and available sources of finance.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 9.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 July 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Turnover

The turnover of the company is represented by management commissions and rents receivable in respect of its investment properties.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

CALLALOT INVESTMENT CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 30 JUNE 2017

3. ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is determined by the directors based on their understanding of property market conditions and the specific property concerned. Any gain or loss arising from a change in fair value is recognised in the profit and loss account.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CALLALOT INVESTMENT CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 30 JUNE 2017

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. 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 instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

4. RESULTS AND DIVIDENDS

	2017	2016
	£	£
Dividends paid during the year	<u>35,000</u>	<u>—</u>

CALLALOT INVESTMENT CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 30 JUNE 2017

5. INVESTMENT PROPERTIES

	Freehold property £
Fair value	
At 1 July 2016 and 30 June 2017	<u>549,950</u>
Carrying amount	
At 30 June 2017	<u>549,950</u>
At 30 June 2016	<u>549,950</u>

Investment Properties held at valuation

The company's investment properties are included in the Financial Statements at Directors' valuation.

Valuation techniques and key inputs

The company's residential apartments were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition.

Historical cost model

The historical cost of investment properties at 30 June 2017 is £64,543 (2016: £64,543).

6. INVESTMENTS

	Shares in participatin g interests £
Cost	
At 1 July 2016 and 30 June 2017	<u>35</u>
Impairment	
At 1 July 2016 and 30 June 2017	<u>-</u>
Carrying amount	
At 30 June 2017	<u>35</u>
At 30 June 2016	<u>35</u>

CALLALOT INVESTMENT CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 30 JUNE 2017

7. DEBTORS

	2017 £	2016 £
Trade debtors	33,189	13,843
Amounts owed by group undertakings and undertakings in which the company has a participating interest	–	133,500
Other debtors	<u>2,950,523</u>	<u>2,350,552</u>
	<u>2,983,712</u>	<u>2,497,895</u>

Included in Other Debtors are amounts due from related companies. These are made up as follows:

	2017 £	2016 £
Maida Vale Investments Limited	1,767,992	1,566,292
Aspern Limited	125,000	125,000
Hightide Investments Limited	120,000	120,000
Worldhold Limited	<u>379,091</u>	<u>180,585</u>
	<u>2,392,083</u>	<u>1,991,877</u>

Mr Leslie Frankel and Mr Joel Frankel, directors of this company are also directors of Maida Vale Investments Limited. Mr Leslie Frankel, a director of this company is also a director of Hightide Investments Limited and Worldhold Limited. Mr Jack Frankel, a director of this company is also a director of Aspern Limited. The above mentioned loans are interest free and repayable on demand.

Included in Other Debtors is also an amount of £500,000 (2016: £Nil) due from Mr Ephraim Frankel who is related to the directors of the company. The loan bears interest at 3% per annum and is repayable on demand.

8. CREDITORS: amounts falling due within one year

	2017 £	2016 £
Corporation tax	43,772	36,587
Other creditors	<u>1,363,516</u>	<u>1,358,958</u>
	<u>1,407,288</u>	<u>1,395,545</u>

Included in Other Creditors are amounts due to related companies. These include the following:

	2017 £	2016 £
Keythorpe Properties Limited	1,031,913	1,031,913
Bitochon Limited	86,482	86,482
SBH Properties Limited	<u>223,208</u>	<u>223,208</u>

The directors of this company are also directors of the above companies. The loans are interest free and repayable on demand.

CALLALOT INVESTMENT CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 30 JUNE 2017

9. ACCOUNTING ESTIMATES AND JUDGEMENTS

i. Property valuations

The valuation of the company's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 5). Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

ii. Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.

10. DIRECTORS' INTERESTS IN CONTRACTS

Turnover includes £56,000 in respect of management commission receivable from Maida Vale Investments Limited, a company in which certain directors of this company are also directors.

11. PARENT COMPANY AND CONTROLLING PARTY

The company is controlled by Mr Leslie Frankel.

12. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 July 2015.

CALLALOT INVESTMENT CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 30 JUNE 2017

12. TRANSITION TO FRS 102 *(continued)*

Reconciliation of equity

	1 July 2015			30 June 2016		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	105	549,950	550,055	35	549,950	549,985
Current assets	2,681,572	(64,543)	2,617,029	3,092,996	(64,543)	3,028,453
Creditors: amounts falling due within one year	(1,418,835)	–	(1,418,835)	(1,395,545)	–	(1,395,545)
Net current assets	<u>1,262,737</u>	<u>(64,543)</u>	<u>1,198,194</u>	<u>1,697,451</u>	<u>(64,543)</u>	<u>1,632,908</u>
Total assets less current liabilities	1,262,842	485,407	1,748,249	1,697,486	485,407	2,182,893
Provisions	–	(82,000)	(82,000)	–	(73,000)	(73,000)
Net assets	<u>1,262,842</u>	<u>403,407</u>	<u>1,666,249</u>	<u>1,697,486</u>	<u>412,407</u>	<u>2,109,893</u>
Capital and reserves	<u>1,262,842</u>	<u>403,407</u>	<u>1,666,249</u>	<u>1,697,486</u>	<u>412,407</u>	<u>2,109,893</u>

The following were changes in accounting policies arising from the transition to FRS102:

Investment properties:

Previously, the company's properties were categorised as trading properties, shown in the balance sheet as stock within current assets, at the lower of cost and net realisable value. Under FRS 102, these properties fall to be categorised as investment properties within fixed assets and are held at fair value, with changes in fair value being recorded in the profit and loss account.

Deferred tax on unrealised investment property gains and losses:

Previously, no deferred tax was recognised on the timing differences between the accounting and tax treatment of the revaluation of the company's investment property. Under FRS 102, deferred tax is recognised on the difference between the cost for tax purposes and the fair value of the company's investment properties, with movements recorded in the profit and loss account.