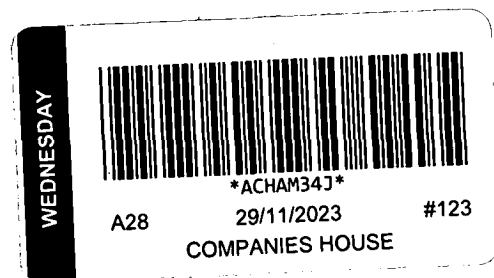


COMPANY REGISTRATION NUMBER: 00761039

**CASKON DEVELOPMENTS LIMITED
FILLETED UNAUDITED FINANCIAL STATEMENTS
31 DECEMBER 2022**



COHEN ARNOLD
Chartered Accountants
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

CASKON DEVELOPMENTS LIMITED

BALANCE SHEET

31 DECEMBER 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	5	2,400,214	2,400,285
CURRENT ASSETS			
Debtors	6	1,527,692	1,451,586
Cash at bank and in hand		427	2,456
		<u>1,528,119</u>	<u>1,454,042</u>
CREDITORS: amounts falling due within one year	7	<u>(477,197)</u>	<u>(430,621)</u>
NET CURRENT ASSETS		<u>1,050,922</u>	<u>1,023,421</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,451,136</u>	<u>3,423,706</u>
CREDITORS: amounts falling due after more than one year	8	(1,076,312)	(1,076,312)
PROVISIONS			
Taxation including deferred tax	9	<u>(435,000)</u>	<u>(435,000)</u>
NET ASSETS		<u>1,939,824</u>	<u>1,912,394</u>

The balance sheet
continues on the following page.

The notes on pages 3 to 8 form part of these financial statements.

CASKON DEVELOPMENTS LIMITED**BALANCE SHEET** *(continued)***31 DECEMBER 2022**

	Note	2022 £	2021 £
CAPITAL AND RESERVES			
Called up share capital		200	200
Capital redemption reserve		42,862	42,862
Profit and loss account		1,896,762	1,869,332
SHAREHOLDERS FUNDS		1,939,824	1,912,394

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 Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

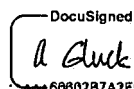
In accordance with section 444 of the Companies Act 2006, the profit and loss account has not been delivered.

For the year ending 31 December 2022 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.

These financial statements were approved by the board of directors and authorised for issue on 21 November 2023, and are signed on behalf of the board by:

DocuSigned by:

 60802B7A2F9A428.....
MR ABRAHAM GLUCK
DIRECTOR

Company registration number: 00761039

The notes on pages 3 to 8 form part of these financial statements.

CASKON DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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, London, NW11 0PU.

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 on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Going concern

The Directors are aware of the challenges they are likely to be facing in these uncertain times. COVID-19, natural disasters, geopolitical events such as the Ukraine-Russia conflict and inflation and higher interest rate risk are just some of the major issues driving global economic uncertainty today.

Notwithstanding the uncertainty mentioned above, 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.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents rents and charges receivable in respect of the company's investment property.

CASKON DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES *(continued)*

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.

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 property

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, using a sales valuation approach, derived from recent comparable transactions on the market, adjusted by applying discounts to reflect status of occupation and condition.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 25% reducing balance

Low value items of furniture and fittings are written off in the year in which they are acquired.

Acquisitions and disposal 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.

CASKON DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

All other financial assets are assessed individually for impairment.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 2 (2021: 2).

5. TANGIBLE ASSETS

	Long leasehold property £	Fixtures and fittings £	Total £
Fair value			
At 1 January 2022 and 31 December 2022	<u>2,400,000</u>	<u>14,797</u>	<u>2,414,797</u>
Depreciation			
At 1 January 2022	–	14,512	14,512
Charge for the year	–	71	71
At 31 December 2022	<u>–</u>	<u>14,583</u>	<u>14,583</u>
Carrying amount			
At 31 December 2022	<u>2,400,000</u>	<u>214</u>	<u>2,400,214</u>
At 31 December 2021	<u>2,400,000</u>	<u>285</u>	<u>2,400,285</u>

CASKON DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2022

5. TANGIBLE ASSETS *(continued)*

In accordance with the Company's stated accounting policy (see note 3) no depreciation has been provided in respect of freehold or long-leasehold properties which are held for investment purposes.

The historical cost of the properties is £47,902 (2021: £47,902).

The Company's investment properties were valued by the directors as at 31 December 2022 and these valuations were based on (i) a professional valuation carried out in January 2020 (March 2020 - Valuation report) by an independent qualified valuer, Lambert Smith Hampton, Chartered Surveyors, in accordance with RICS Professional Standards Valuation Manual and (ii) valuations performed by the directors based on their expertise in the real estate market.

The Directors are aware of the challenges they are likely to be facing in these uncertain times. COVID-19, natural disasters, geopolitical events such as the Ukraine-Russia conflict and inflation and higher interest rate risk are just some of the major issues driving global economic uncertainty today.

As at 21 November 2023, the date that these financial statements were authorised for issue, the directors are of the opinion that the fair value of the Company's investment properties had remained resilient, as the rental income has not decreased and the level of vacancies and rate of default have not increased. Any subsequent changes in the fair value of the Company's investments are not reflected in the financial statements as at 31 December 2022.

In the event of a realisation of the company's investment properties at an amount equal to the valuation recorded in the Financial Statements, a liability to corporation tax on chargeable gains would arise which is estimated at £435,000 (2021: £435,000) and for which a provision has been made in the Financial Statements in accordance with FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

6. DEBTORS

	2022	2021
	£	£
Trade debtors	237,641	196,755
Other debtors	<u>1,290,051</u>	<u>1,254,831</u>
	<u>1,527,692</u>	<u>1,451,586</u>

7. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Other creditors	<u>477,197</u>	<u>430,621</u>

8. CREDITORS: amounts falling due after more than one year

	2022	2021
	£	£
Amounts owed to related undertaking	<u>1,076,312</u>	<u>1,076,312</u>

CASKON DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2022

8. CREDITORS: amounts falling due after more than one year *(continued)*

Amounts owed to related undertaking pertains to a loan advanced by Belfast Nominees Ltd, the "SPV" Company which borrowed a total principal amount of £17m from Secure Trust Bank PLC. The loan, carrying an interest rate of 4.2% per annum, is scheduled for repayment on 26 March 2024. These obligations are cross-guaranteed and secured by legal charges over certain properties owned by the related undertakings.

The Company recognises and is aware of the existing financial commitment to Belfast Nominees Ltd, specifically relating to the repayment obligation linked to the £17 million loan due on 26 March 2024. To fully understand the ongoing negotiations impacting potential refinancing, and extract from Note 6 of Belfast Nominees Ltd's financial statements provided below:

Extract from Note 6 - Belfast Nominees Ltd's Financial Statements:

"The above loans include a loan facility of £17m from Secure Trust Bank PLC. The loan bears a fixed rate of interest of 4.2% per annum and is repayable on 26 March 2024. The loan is secured by legal charges over certain properties owned by related undertakings.

The Directors have initiated negotiations with the existing lender for the £17 million loan currently fixed at 4.2% interest. Concurrently, the Director is exploring options with multiple lenders for favourable terms. Given the current economic climate and tight credit conditions, there is a potential risk of refinancing at a higher interest rate, although early indicators are that any increase in interest rates will be marginal. Despite these challenges, the Directors express confidence in successfully navigating the refinancing process to ensure the continued financial stability of the company. Management has diligently assessed the impact of the going concern on cash flow using sensitivity analysis. Additionally, they are considering options such as rolling over part of the interest and seeking an extension of 12 to 18 months. Anticipating a potential easing of inflation and central bank interest rate cuts, the Directors are strategically evaluating multiple avenues to secure the most advantageous outcome."

9. PROVISIONS

	Deferred tax
	£
At 1 January 2022 and 31 December 2022	<u>435,000</u>

The provision for deferred tax is in relation to the revaluation of investment properties.

10. CONTINGENCIES

The Company together with several Companies under common management is party to a cross-guarantee in respect of the loan facilities in a principal sum of up to £17m. The extent of the contingent liability as at 31 December 2022 amounted to £16m. No amounts are anticipated to become payable under the guarantees.

The Company has charged its investment properties as part security for the above bank loan and overdraft facilities and the book value of the properties charged as at 31 December 2022 was £2.4m.

CASKON DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2022

11. RELATED PARTY TRANSACTIONS

Messrs Abraham and Harold Gluck together with their families own a controlling interest in the Share Capital of the Company.

- (i) Management of the Company's Properties, Administration and Corporate Services provided to the Company are carried out at normal commercial rates. During the year £6,101 (2021: £5,588) was payable to a Company of which Mr Abraham Gluck is also a Director.

- (ii) Other debtors also include amounts due from the following Company whose Director is a close family member to the Director of this Company:-

Amounts in excess of £10,000

	2022	2021
	£	£
Riverside Estates Limited	<u>72,500</u>	<u>72,500</u>

For the period under review, the above loan is interest free and repayable on demand.

- (iii) Other debtors also include an amount due from the following Company, of which Mr Joseph Gluck is amongst the Directors:-

Amounts in excess of £10,000

	2022	2021
	£	£
Mountgrove Properties Ltd	<u>836,500</u>	<u>836,500</u>

The above loan bears a fixed rate of interest per annum and repayable on demand.

- (iv) Other Creditors include amounts due to the following Company, of which Mr Abraham is amongst the directors:-

Amounts in excess of £10,000

	2022	2021
	£	£
Earlbrook Limited	<u>101,654</u>	<u>101,654</u>

For the period under review, the above loan is interest free and repayable on demand.

- (v) Creditors more than one year includes an amount due to Belfast Nominees Ltd, a Company of which Mr Joseph Gluck is amongst the Directors:-

	2022	2021
	£	£
Belfast Nominees Limited	<u>1,076,312</u>	<u>1,076,312</u>

The above loan bears a fixed rate of interest of 4.2% per annum and is repayable in March 2024.