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**R. MASKELL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**R. MASKELL LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	L J Gilbert T T Harden (resigned 31 May 2018) N R Maskell J S Gilbert R H Maskell
<b>Company secretary</b>	N R Maskell
<b>Registered number</b>	01058793
<b>Registered office</b>	Watergate Broxhill Road Havering Atte Bower Romford Essex RM4 1QH
<b>Independent auditors</b>	Haslers Chartered Accountants & Statutory Auditor Old Station Road Loughton Essex IG10 4PL
<b>Bankers</b>	National Westminster Bank Plc PO Box 113 Cavell House 1a Charing Cross Road London WV2H OPD

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**R. MASKELL LIMITED**

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## **R. MASKELL LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **Introduction**

The principal activity of the company is that of property development.

#### **Business review**

The principal trading subsidiary Li-Lo Leisure Products Limited went into liquidation on 8 August 2017. Another subsidiary, Westwoods Global Limited, ceased trading on 20 October 2017.

The results for the company for the year show a pre tax loss of £4,511,353 (2016: £7,725,008) and sales of £321,165 (2016: £192,300) after the investment and intercompany write-offs.

The company's property portfolio is performing well and the directors are confident this will continue into next year.

#### **Financial key performance indicators**

The directors consider that net profit is the main key performance indicator.

This report was approved by the board on 7 March 2019 and signed on its behalf.

**N R Maskell**

Director

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## R. MASKELL LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### Results and dividends

The loss for the year, after taxation, amounted to £4,602,852 (2016 - loss £7,725,008).

The directors do not recommend the payment of a dividend (2016: £Nil).

#### Directors

The directors who served during the year were:

L J Gilbert  
T T Harden (resigned 31 May 2018)  
N R Maskell  
J S Gilbert  
R H Maskell

#### Future developments

As noted in the strategic report, Li-Lo Leisure Products Limited and Westwoods Global Limited ceased to trade in 2017 and the group ceased its garden furniture trade.

The company will continue with its property investments and is expecting profits from these developments.

#### Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk.

The company has in place a risk management programme that seeks to limit the possible adverse effects on the financial performance of the company by monitoring levels of cash. The group does not use derivative financial instruments or manage interest rate costs and, as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements the policies set by the board of directors.

#### Interest rate risk

The company has interest bearing assets and liabilities. Interest bearing assets include only cash balances that earn interest at a floating rate. Interest bearing liabilities include only bank borrowing facilities and finance lease agreements on which interest is charged at a floating and fixed rate respectively.

#### Liquidity and cash flow risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that the company has sufficient available funds for operations. Any new debt finance would have to be approved by the board of directors before it was taken on.

**Price risk**

Expenditure made by the company is authorised prior to it being made by management in order to ensure that goods and services are obtained at the most competitive price.

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, Haslers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 7 March 2019 and signed on its behalf.

**N R Maskell**

Director

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R. MASKELL LIMITED**

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**Opinion**

We have audited the financial statements of R. Maskell Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R. MASKELL LIMITED (CONTINUED)**

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misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R. MASKELL LIMITED (CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Christina Georgiou (Senior Statutory Auditor)

for and on behalf of

**Haslers**

Chartered Accountants

Statutory Auditor

Old Station Road

Loughton

Essex

IG10 4PL

7 March 2019

R. MASKELL LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	321,165	192,300
Cost of sales		(53,632)	(83,603)
<b>Gross profit</b>		<b>267,533</b>	<b>108,697</b>
Administrative expenses		(239,197)	(238,975)
Other operating income	5	347,838	197,050
<b>Operating profit</b>		<b>376,174</b>	<b>66,772</b>
Amounts written off investments		(4,867,902)	(7,752,645)
Interest receivable and similar income	8	7,013	2
Interest payable and expenses	9	(26,638)	(39,137)
<b>Loss before tax</b>		<b>(4,511,353)</b>	<b>(7,725,008)</b>
Tax on loss	10	(91,499)	-
<b>Loss for the financial year</b>		<b>(4,602,852)</b>	<b>(7,725,008)</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 12 to 26 form part of these financial statements.

**R. MASKELL LIMITED**  
**REGISTERED NUMBER: 01058793**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	11	-	1,302
Tangible assets	12	59,089	3,312,202
Investments	13	6,452,276	6,441,564
Investment property	14	1,562,950	1,560,000
		<u>8,074,315</u>	<u>11,315,068</u>
<b>Current assets</b>			
Stocks	15	234,890	169,672
Debtors: amounts falling due within one year	16	2,711,739	2,218,663
Cash at bank and in hand	17	18,918	41,957
		<u>2,965,547</u>	<u>2,430,292</u>
Creditors: amounts falling due within one year	18	(4,911,421)	(2,958,121)
<b>Net current liabilities</b>		<u>(1,945,874)</u>	<u>(527,829)</u>
<b>Total assets less current liabilities</b>		<u>6,128,441</u>	<u>10,787,239</u>
Creditors: amounts falling due after more than one year	19	(59,863)	(207,308)
<b>Provisions for liabilities</b>			
Deferred tax	20	(1,912,869)	(1,821,370)
		<u>(1,912,869)</u>	<u>(1,821,370)</u>
<b>Net assets</b>		<u><u>4,155,709</u></u>	<u><u>8,758,561</u></u>

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**R. MASKELL LIMITED**  
**REGISTERED NUMBER: 01058793**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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	<b>Note</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Capital and reserves</b>			
Called up share capital	21	<b>1,560,000</b>	<i>1,560,000</i>
Investment property reserve	22	<b>715,936</b>	<i>2,493,989</i>
Other reserves	22	<b>(1,112,061)</b>	<i>119,504</i>
Profit and loss account	22	<b>2,991,834</b>	<i>4,585,068</i>
		<hr/> <b>4,155,709</b> <hr/>	<hr/> <i>8,758,561</i> <hr/>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 March 2019.

**N R Maskell**  
Director

The notes on pages 12 to 26 form part of these financial statements.

R. MASKELL LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Investment property revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2017	1,560,000	2,493,989	119,504	4,585,068	8,758,561
Loss for the year	-	-	-	(4,602,852)	(4,602,852)
Transfer of SIP in subsidiary	-	-	(1,231,565)	-	(1,231,565)
Transfer of SIP in subsidiary	-	-	-	1,231,565	1,231,565
Transfer gain realised on sale of property	-	-	-	1,778,053	1,778,053
Transfer between other reserves	-	(1,778,053)	-	-	(1,778,053)
<b>At 31 December 2017</b>	<b>1,560,000</b>	<b>715,936</b>	<b>(1,112,061)</b>	<b>2,991,834</b>	<b>4,155,709</b>

The notes on pages 12 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Investment property revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016	1,560,000	3,065,543	119,504	12,310,076	17,055,123
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(7,725,008)	(7,725,008)
Revaluation of freehold property	-	(571,554)	-	-	(571,554)
<b>At 31 December 2016</b>	<b>1,560,000</b>	<b>2,493,989</b>	<b>119,504</b>	<b>4,585,068</b>	<b>8,758,561</b>

The notes on pages 12 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. General information**

R Maskell Limited is a private company, limited by shares, domiciled in England and Wales, registration number 01058793. The address of the registered office is Watergate, Broxhill Road, Havering-atte-Bower, Romford, Essex, RM4 1QH. The principal activity of the company continued to be that of property development.

**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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest pound sterling.

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 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of R Maskell Holdings Limited as at 31 December 2017 and these financial statements may be obtained from the registered office.

**2.3 Going concern**

The company is showing a loss for the year due to the write off of investments in subsidiaries which are no longer trading.

However, the company's property portfolio is performing strongly and the directors are confident that this will continue into next year.

Overall the company has net current liabilities at the year end but the company has the support of its creditors and the pending realisation of development assets and hence the accounts have been prepared on a going concern basis.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale**

Revenue from sales is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income 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.

**2.6 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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 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 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 Contributions to Share Incentive Plan (SIP)**

SIP contributions are not recognised in the Profit and Loss Account until such time as the shares vest unconditionally with the employees. Until that time, the employee share ownership plan trust's investments in the shares of the parent company are shown as an investment.

**2.9 Share based payments**

The company is required to recognise an expense in respect of any equity or cash settled share based payment transaction. This expense, which is calculated by reference to the fair value of the equity or cash settled share based payment transactions at the grant date is recognised on a straight line basis over the vesting period concerned. The charge is credited to reserves.

**2.10 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, 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:

Freehold property	-	5%
Plant and machinery	-	20%
Motor vehicles	-	25%
Improvements to premises	-	20%

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 the Statement of Comprehensive Income.

**Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 Stocks**

Stocks of development properties are carried at the lower of cost and net realisable value.

**2.13 Associates and joint ventures**

Associates and Joint Ventures are held at cost less impairment.

**2.14 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.

**2.15 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.16 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.

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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

In applying the Company's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

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 believe that there have been judgments (apart from those involving estimates) made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

**4. Turnover**

All turnover arose within the United Kingdom.

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R. MASKELL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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5. Other operating income

	2017 £	2016 £
Net rents receivable	347,838	197,050
	<u>347,838</u>	<u>197,050</u>

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>23,411</u>	<u>38,385</u>
The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.		

7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	28,826	50,072
	<u>28,826</u>	<u>50,072</u>

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

	2017 No.	2016 No.
Administration	2	2
Directors	4	4
	<u>6</u>	<u>6</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

8. Interest receivable

	2017 £	2016 £
Other interest receivable	7,013	2
	<u>7,013</u>	<u>2</u>

9. Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	10,684	32,924
Other interest payable	15,954	6,213
	<u>26,638</u>	<u>39,137</u>

10. Taxation

	2017 £	2016 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Deferred tax	91,499	-
<b>Total deferred tax</b>	<u>91,499</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>91,499</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 19% (2016 - 20%) as set out below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(4,511,354)</u>	<u>(7,725,008)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	(857,157)	(1,545,002)
<b>Effects of:</b>		
Unrelieved tax losses carried forward	892,383	1,545,002
Deferred tax	91,499	-
Group relief	(35,226)	-
<b>Total tax charge/(credit) for the year</b>	<u>91,499</u>	<u>-</u>

Factors that may affect future tax charges

At the 31 December 2017 the company had unutilised tax losses available for offset against future trading profits of £3,442,421 (2016: £3,516,150).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**11. Intangible assets**

	Patents £
At 1 January 2017	1,302
Disposals	(1,302)
At 31 December 2017	-
<b>Net book value</b>	
At 31 December 2017	-
<i>At 31 December 2016</i>	<i>1,302</i>

**12. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Other fixed assets £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	4,022,277	211,398	12,500	26,634	4,272,809
Disposals	(3,960,079)	(179,898)	(12,500)	(26,634)	(4,179,111)
At 31 December 2017	62,198	31,500	-	-	93,698
<b>Depreciation</b>					
At 1 January 2017	710,080	211,393	12,500	26,634	960,607
Charge for the year on owned assets	(201,428)	-	-	-	(201,428)
Disposals	(505,543)	(179,893)	(12,500)	(26,634)	(724,570)
At 31 December 2017	3,109	31,500	-	-	34,609
<b>Net book value</b>					
At 31 December 2017	59,089	-	-	-	59,089
<i>At 31 December 2016</i>	<i>3,312,197</i>	<i>5</i>	<i>-</i>	<i>-</i>	<i>3,312,202</i>



R. MASKELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>				
At 1 January 2017	152	6,190,706	250,706	6,441,564
Additions	-	-	10,712	10,712
At 31 December 2017	152	6,190,706	261,418	6,452,276
<b>Net book value</b>				
At 31 December 2017	152	6,190,706	261,418	6,452,276
<b>At 31 December 2016</b>	152	6,190,706	250,706	6,441,564

**Direct subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Li-Lo Leisure Products Limited	Ordinary	100 %	Previously the wholesale and retail distribution of garden furniture and ancillary items - Now in liquidation
R Maskell Loughton Limited (previously Central House Investments Limited)	Ordinary	100 %	Property development
Brocket Park Limited	Ordinary	100 %	Property development

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**R. MASKELL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**13. Fixed asset investments (continued)**

Westwoods Global Limited	Ordinary	100 %	Previously the wholesale and retail distribution of garden furniture and ancillary items - Now ceased trading
R Maskell SIP Trustees Limited	Ordinary	100 %	Dormant

**Indirect Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Allan Abel (Agencies) Limited	Ordinary	100 %	Dormant
Homa Garden Furniture Limited	Ordinary	100 %	Dormant
Lilo Leisure Products (Global) Limited	Ordinary	100 %	Dormant

**14. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 January 2017	1,560,000
Additions at cost	2,950
<b>At 31 December 2017</b>	<b>1,562,950</b>

The 2017 valuations were made by the directors, on an open market value for existing use basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

15. Stocks

	2017 £	2016 £
Properties for development	234,890	169,672
	<u>234,890</u>	<u>169,672</u>

16. Debtors

	2017 £	2016 £
Trade debtors	28,065	42,408
Amounts owed by group undertakings	2,634,748	2,059,031
Other debtors	7,349	104,815
Prepayments and accrued income	41,577	12,408
	<u>2,711,739</u>	<u>2,218,662</u>

17. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	18,918	41,957
	<u>18,918</u>	<u>41,957</u>

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	-	136,832
Trade creditors	427,304	485,742
Amounts owed to group undertakings	100	1,228,369
Other taxation and social security	-	1,676
Other creditors	4,195,998	974,434
Accruals and deferred income	288,019	131,068
	<u>4,911,421</u>	<u>2,958,121</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

19. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Accruals and deferred income	59,863	207,308
	<u>59,863</u>	<u>207,308</u>

20. Deferred taxation

	2017 £
At beginning of year	(1,821,370)
Charged to profit or loss	(91,499)
<b>At end of year</b>	<u><b>(1,912,869)</b></u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Deferred tax - charge to profit or loss	(91,499)	-
SIP Contribution	(1,821,370)	(1,821,370)
	<u><b>(1,912,869)</b></u>	<u><b>(1,821,370)</b></u>

21. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
1,196,667 (2016 - 1,196,667) Ordinary shares of £1.00 each	1,196,667	1,196,667
4,786,668 (2016 - 4,786,668) A Ordinary shares of £0.01 each	47,867	47,867
303,333 (2016 - 303,333) B Ordinary shares of £1.00 each	303,333	303,333
1,213,332 (2016 - 1,213,332) C Ordinary shares of £0.01 each	12,133	12,133
	<u><b>1,560,000</b></u>	<u><b>1,560,000</b></u>

NOTES TO THE FINANCIAL STATEMENTS  
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**22. Reserves**

**Investment property revaluation reserve**

The investment property revaluation reserve represents cumulative effects of fair value adjustments net of deferred tax and other adjustments.

**Other reserves**

This represents amounts provided to cover share based payments made.

**Profit and loss account**

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

**23. Share based payments**

During the year to 31 December 2004, the R Maskell SIP was established to reward employees with shares in the group.

On 20 November 2009, 76,462 B Ordinary shares of £1 each were awarded.

During 2011, the trustees of the SIP granted a further 178,338 B Ordinary shares, this represents a final award of the remaining B Ordinary shares in the SIP, of 1p each held by the SIP to the employees of the company.

The terms of the award of the shares was as follows:

1. The share allocation is calculated based on the length of employees' service and their salary.
2. The vesting period is five years.
3. Shares will not be given to employees at the end of the vesting period if the employee is no longer in relevant employment.

The value of the share based payment charge is expensed through the profit and loss account over the vesting period of five years.

In respect of the 1st award in 2009, the share based payment has been fully expensed over five years.

In respect of the 2nd award in 2011, the share based payment has been fully expensed over five years.

**24. Contingent liabilities**

R Maskell Limited and Li-Lo Leisure Products Limited are part of a VAT group and as such are jointly and severally liable for the VAT liability of the group.

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**R. MASKELL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**25. Related party transactions**

The following related parties are considered to have existed during the year :-

- |                         |  |
|-------------------------|--|
| R H Maskell             | - Shareholder in R Maskell (Holdings) Limited              |
| L Gilbert               | - Director and shareholder in R Maskell (Holdings) Limited |
| Myland Agencies Limited | - R H Maskell has an interest in this company              |

At the year end the following amounts were due from/(to) the related parties:

	2017 £	2016 £
R H Maskell	(760,890)	(1,345,172)
L J Gilbert	12,072	12,072
	<u>(748,818)</u>	<u>(1,333,100)</u>

The company has taken advantage of the exemption in the Financial Reporting Standard from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company and are publicly available.

**26. Controlling party**

The ultimate parent company is R Maskell Holdings Limited which is incorporated in England and Wales.

The ultimate controlling party is R Maskell by virtue of his beneficial interest holding in the parent company, R Maskell Holdings Limited.

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