
CANDLELIGHT PROPERTY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2018



CANDLELIGHT PROPERTY LIMITED
REGISTERED NUMBER: 03839081

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	269,110	289,238
Investment property	5	6,250,000	5,870,000
		<u>6,519,110</u>	<u>6,159,238</u>
Current assets			
Debtors: amounts falling due within one year	6	399,479	364,239
Cash at bank and in hand	7	56,322	24,133
		<u>455,801</u>	<u>388,372</u>
Creditors: amounts falling due within one year	8	(2,581,370)	(2,419,470)
Net current liabilities		<u>(2,125,569)</u>	<u>(2,031,098)</u>
Total assets less current liabilities		<u>4,393,541</u>	<u>4,128,140</u>
Creditors: amounts falling due after more than one year	9	(4,959,673)	(5,165,197)
Net liabilities		<u><u>(566,132)</u></u>	<u><u>(1,037,057)</u></u>

CANDLELIGHT PROPERTY LIMITED
REGISTERED NUMBER: 03839081

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2018

	2018 £	2017 £
Capital and reserves		
Called up share capital	100	100
Profit and loss account	(566,232)	(1,037,157)
	<u>(566,132)</u>	<u>(1,037,057)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.


The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2018.



R C Simpson
Director

The notes on pages 3 to 11 form part of these financial statements.

CANDLELIGHT PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

The Company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal place of business is:

TS2 Pinewood Business Park
Coleshill Road
Solihull
West Midlands
B37 7HG

The principal activity of the Company is the provision of commercial serviced offices.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue recognition

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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

CANDLELIGHT PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 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.

2.5 Borrowing costs

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

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 reporting date.

CANDLELIGHT PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.8 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:

Fixtures and fittings	- 8%
Computer equipment	- 20%
Other fixed assets	- 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.

2.9 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.10 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.

2.11 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.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected

CANDLELIGHT PROPERTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.12 Financial instruments (continued)

to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2017 - 6).

4. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2017	330,601	16,609	11,250	358,460
Additions	34,799	4,804	-	39,603
At 31 March 2018	<u>365,400</u>	<u>21,413</u>	<u>11,250</u>	<u>398,063</u>
Depreciation				
At 1 April 2017	65,449	3,773	-	69,222
Charge for the year on owned assets	56,248	3,483	-	59,731
At 31 March 2018	<u>121,697</u>	<u>7,256</u>	<u>-</u>	<u>128,953</u>
Net book value				
At 31 March 2018	<u>243,703</u>	<u>14,157</u>	<u>11,250</u>	<u>269,110</u>
At 31 March 2017	<u>265,152</u>	<u>12,836</u>	<u>11,250</u>	<u>289,238</u>

CANDLELIGHT PROPERTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Investment property

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2017	2,530,000	3,340,000	5,870,000
Additions at cost	15	-	15
Surplus on revaluation	219,985	160,000	379,985
At 31 March 2018	2,750,000	3,500,000	6,250,000

The most recent valuations were made by the model used by Aitchison Raffety, on an open market value for existing use basis.

At 31 March 2018

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	5,066,417	5,066,402
	5,066,417	5,066,402

6. Debtors

	2018 £	2017 £
Trade debtors	30,788	59,645
Amounts owed by group undertakings	306,576	86,907
Other debtors	752	150,300
Prepayments and accrued income	61,363	67,387
	399,479	364,239

CANDLELIGHT PROPERTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank held in current accounts	56,322	24,133
	56,322	24,133

8. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Other loans	1,032,468	474,088
Trade creditors	229,365	283,523
Corporation tax	201,209	136,612
Other taxation and social security	54,965	31,264
Other creditors	710,569	1,246,033
Accruals and deferred income	352,794	247,950
	2,581,370	2,419,470

CANDLELIGHT PROPERTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018	2017
	£	£
Bank loan	2,407,500	2,407,500
Other loans	2,552,173	2,757,697
	<u>4,959,673</u>	<u>5,165,197</u>

The following liabilities were secured:

	2018	2017
	£	£
Bank loan	2,407,500	2,407,500
Other secured loans	1,458,068	1,459,888
	<u>3,865,568</u>	<u>3,867,388</u>

Details of security provided:

The bank loan represents a mortgage secured against the investment properties held within the balance sheet. The loan is repayable over a 3 year term, with interest at 2% above LIBOR.

Other secured loans are payable to a pension scheme in which the directors are members. These loans are secured against investment property held in TSII Limited, a fellow subsidiary, with interest charged at rates of 5.75% - 6.00%.

CANDLELIGHT PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

10. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Other loans	1,032,468	474,088
	<u>1,032,468</u>	<u>474,088</u>
Amounts falling due 1-2 years		
Bank loans	2,407,500	-
Other loans	310,200	385,200
	<u>2,717,700</u>	<u>385,200</u>
Amounts falling due 2-5 years		
Bank loans	-	2,407,500
Other loans	2,241,973	2,372,497
	<u>2,241,973</u>	<u>4,779,997</u>
	<u>5,992,141</u>	<u>5,639,285</u>

11. Pension commitments

At the year end £662 was owing to defined benefit schemes (2017 - £534).

CANDLELIGHT PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Related party transactions

Other creditors include £463,349 payable to directors (2017 - £1,024,224). In the year ending 31 March 2018 interest expensed in respect of these loans was £17,152 (2017 - £75,000).

Cost of sales includes £23,000 (2017 - £280,441) in respect of car park expenditure paid to Chelmsley Town FC Ltd, a company sharing common directors.

Other loans include £1,951,573 due to investors who are family members related to the directors (2017 - £1,771,897). These loans are unsecured, with interest of £164,885 incurred during the year (2017 - £45,000).

Simpson Partnership, an entity in which the directors have a 100% interest, charged management charges of £510,167 in the prior year. These charges were fully settled during the year (2017 - £10,000 payable).

Included in administrative expenses for the prior year was a £112,000 management charge with XYZ4 Limited, of which £93,400 remained payable as at 31 March 2017. This balance was fully settled in the current year. XYZ4 Limited shares mutual directors.

13. Controlling party

Candlelight Holdings Limited, a company registered in England and Wales, is the ultimate parent company. The ultimate controlling parties are the directors.