

Registered number: 02765394

THORNSETT STRUCTURES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2018

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COMPANIES HOUSE

LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

BALANCE SHEET

AS AT 31 JULY 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	4		1		1
			<u>1</u>		<u>1</u>
Current assets					
Debtors: amounts falling due within one year	5	3,242,341		-	
Cash at bank and in hand		-		1	
		<u>3,242,341</u>		<u>1</u>	
Creditors: amounts falling due within one year	6	(3,686,196)		(2,015,062)	
Net current liabilities			(443,855)		(2,015,061)
Net liabilities			<u>(443,854)</u>		<u>(2,015,060)</u>
Capital and reserves					
Called up share capital	7		2		2
Profit and loss account			(443,856)		(2,015,062)
			<u>(443,854)</u>		<u>(2,015,060)</u>

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 by:



Gerard Cunningham
Director

Date: 30/01/2019

The notes on pages 2 to 7 form part of these financial statements.

THORNSETT STRUCTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

1. General information

Thornsett Structures Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. Its principal place of business is 34 Margery Street, London, WC1X 0JJ.

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

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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Consolidation

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.3 Going concern

The company meets its day to day working capital requirements by support of its fellow subsidiaries and the parent companies. The directors believe it is appropriate to prepare the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future on the basis of the company's plans, the continued support of fellow subsidiaries, the parent company and the banks.

If the company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and provide for further liabilities that might arise.

THORNSETT STRUCTURES LIMITED
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FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.4 Revenue

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:

Revenue is recognised in the Profit and Loss account when the significant risks and rewards of ownership have been transferred to the purchaser. Revenue in respect of the sale of residential and commercial properties is recognised on legal completion or unconditional exchange.

Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the Balance Sheet date.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

2.5 Land and building development costs

Land and building development costs are accounted for as work in progress and are valued on the basis of direct costs plus attributable overheads including interest and any estimated losses on longterm contracts directly linked to the overall development project. On completion of a development an assessment is made of any further costs which may be incurred by the company and an appropriate accrual or provision is made. Provision is made for foreseeable losses where appropriate. No element of profit is included in the valuation of land and buildings development costs.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 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.

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2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments 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 and loans to related parties.

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 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 that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.10 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.

2.11 Borrowing costs

Interest is capitalised in land and buildings development costs where the loan is directly attributable to property development. Where not directly attributable, borrowing costs are charged to the Income Statement 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.

2.12 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a change 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.

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3. Employees

The average monthly number of employees, during the year was nil (2017 - nil).

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2017	1,001
At 31 July 2018	<u>1,001</u>
Impairment	
At 1 August 2017	1,000
At 31 July 2018	<u>1,000</u>
Net book value	
At 31 July 2018	<u><u>1</u></u>
At 31 July 2017	<u><u>1</u></u>

The company owned 100% of the issued ordinary share capital of North Quay Apartments Limited, a property development company. On 17 December 2018, the company sold its 100% holding in North Quay Apartments Limited. The shares were sold for no consideration.

During the previous year the company purchased 50% of the issued ordinary share capital of Downham Road Limited, a property development company. The company has been classified as a subsidiary as Thornsett Structures Limited has more than 50% of the voting rights of the company and therefore is considered to have control.

During the year the company provided its 50% shareholding in Downham Road Limited as security against borrowings held in Downham Road Limited. At 31 July 2018 the maximum potential liability was £nil.

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5. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	1,003,113	-
Other debtors	62,671	-
Prepayments and accrued income	2,176,557	-
	<u>3,242,341</u>	<u>-</u>

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	5,920	-
Trade creditors	1,042,774	30,319
Amounts owed to group undertakings	880,141	1,827,355
Other taxation and social security	-	154,388
Accruals and deferred income	1,757,361	3,000
	<u>3,686,196</u>	<u>2,015,062</u>

7. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2 (2017 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

8. Capital commitments

At 31 July 2018 the Company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>7,772,941</u>	<u>-</u>

THORNSETT STRUCTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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9. Related party transactions

During the year, the company entered into transactions, in the ordinary course of business, with related parties.

Transactions entered into, and balances outstanding at 31 July, requiring disclosure are as follows:

	2018	2017
	£	£
Companies in which the entity has a participating interest		
Amounts due to such entities	880,141	192,647
Amounts due from such entities (accrued income)	2,176,557	-
Sales to such entities	10,110,575	-
	<u> </u>	<u> </u>

Thornsett Structures Limited has entered in to an unlimited multilateral guarantee with its parent company and some of its fellow subsidiaries in respect of the groups' bank overdraft facility. At the balance sheet date the net overdraft position was £nil (2017 - £1,081,902).

10. Ultimate parent undertaking

The ultimate parent company is Thornsett Cunningham Holdings Limited, a company registered in Cyprus.

The immediate parent company of the company and the parent undertaking of the smallest and largest group to consolidate the accounts of the company is Thornsett Group Plc whose registered office is 34 Margery Street, London, WC1X 0JJ. A copy of the group accounts can be obtained from Companies House.

11. Auditors' information

The full financial statements have been subject to audit and there were no qualifications or modifications to the audit report of the full financial statements. The audit was undertaken by Lubbock Fine Chartered Accountants & Statutory Auditors and the Senior Statutory Auditor was Lee Facey.