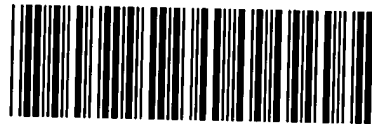


Company Number: 03090974

Capitalstart Limited
Abridged Financial Statements
for the year ended 30 June 2018

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Capitalstart Limited
CONTENTS

	Page
Director and Other Information	3
Abridged Statement of Financial Position	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6 - 10

Capitalstart Limited
DIRECTOR AND OTHER INFORMATION

Director	Mr H E Danous
Company Secretary	Mr H E Danous
Company Number	03090974
Registered Office	6th Floor 25 Farringdon Street London EC4A 4AB United Kingdom
Auditors	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

Capitalstart Limited

Company Number: 03090974

ABRIDGED STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Notes	2018 £	2017 £
Fixed Assets			
Investment property	6	<u>29,971,925</u>	<u>28,483,304</u>
Current Assets			
Stocks	7	41,674	41,674
Debtors	8	<u>8,796,108</u>	<u>8,277,180</u>
		<u>8,837,782</u>	<u>8,318,854</u>
Creditors: Amounts falling due within one year	9	<u>(18,211,188)</u>	<u>(16,709,974)</u>
Net Current Liabilities		<u>(9,373,406)</u>	<u>(8,391,120)</u>
Total Assets less Current Liabilities		<u>20,598,519</u>	<u>20,092,184</u>
Provisions for liabilities	10	<u>(1,549,621)</u>	<u>(1,541,829)</u>
Net Assets		<u>19,048,898</u>	<u>18,550,355</u>
Capital and Reserves			
Called up share capital		2	2
Revaluation reserve	11	6,574,002	6,230,451
Profit and loss reserve	11	<u>12,474,894</u>	<u>12,319,902</u>
Shareholders' Funds		<u>19,048,898</u>	<u>18,550,355</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).

All of the members have consented to the preparation of abridged accounts in accordance with section 444(2A) of the Companies Act 2006.

The company has taken advantage of the exemption under section 444 not to file the Abridged Income Statement and Director's Report.

Approved by the Director and authorised for issue on 19 December 2018.



Mr H E Danous
Director

Capitalstart Limited
STATEMENT OF CHANGES IN EQUITY
as at 30 June 2018

	Share capital	Revaluation reserve	Retained earnings	Total
	£	£	£	£
At 1 July 2016	2	4,363,274	13,986,309	18,349,585
Profit for the year	-	-	200,770	200,770
Tax relating to other comprehensive income	-	1,867,177	(1,867,177)	-
At 30 June 2017	2	6,230,451	12,319,902	18,550,355
Profit for the year	-	-	498,543	498,543
Tax relating to other comprehensive income	-	(1,449)	1,449	-
Gain on revaluation of investment property	-	345,000	(345,000)	-
At 30 June 2018	2	6,574,002	12,474,894	19,048,898

Capitalstart Limited

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 30 June 2018

1. GENERAL INFORMATION

Capitalstart Limited is a company limited by shares incorporated in United Kingdom. The registered office of the company is 6th Floor, 25 Farringdon Street, London, EC4A 4AB, United Kingdom. The principal activity of the company continued to be that of property dealing and investment.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 30 June 2018 have been prepared in accordance with the provisions of FRS 102 Section 1A (Small Entities) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Cash flow statement

The company has availed of the exemption in FRS 102 Section 1A from the requirement to prepare a Cash Flow Statement because it is classified as a small company.

Turnover

Turnover represents the value of all rent receivable for the year. Rent is recognised in the period to which it relates.

Other operating income

Other income includes amounts receivable from the sale of property net of VAT and discounts. Other operating income is recognised on completion.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Investment properties are revalued annually by the Director and every five years by external, appropriately qualified, valuers. Valuations are used to estimate the fair value of the investment properties based on the expected price if the property was sold in an orderly transaction on the open market at the measurement date. Valuations are based on the available market data and key inputs and assumptions made available by management.

Stocks

Stock of property is valued at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

For non-depreciable assets and investment properties measured at fair value (except investment property with a limited useful life held by Capitalstart Limited to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include amounts due from group undertaking, other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being the transaction price less any amounts settled and any impairment losses. If the arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Capitalstart Limited**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**

continued

for the year ended 30 June 2018

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. 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 liabilities

Basic financial liabilities, including trade and other creditors, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

3. GOING CONCERN

The directors consider the use of the going concern basis of accounting is appropriate since the parent company has given its assurance that it will continue to support Capitalstart Limited for 12 months following approval of these accounts. There are therefore no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

4. INFORMATION RELATING TO THE AUDITOR'S REPORT

The Audit Report was unqualified. There were no matters to which the auditor was required to refer by way of emphasis.

The financial statements were audited by RSM UK Audit LLP.

The Auditor's Report was signed by Paul Newman BSc ACA (Senior Statutory Auditor) for and on behalf of RSM UK Audit LLP on 19th December 2018.

5. EMPLOYEES

There were no employees in the current or prior years. The director did not receive remuneration or pension benefit in the year.

6. INVESTMENT PROPERTIES

	Investment properties
	£
Valuation	
At 1 July 2017	28,483,304
Additions	1,143,621
Revaluation	345,000
	<hr/>
At 30 June 2018	29,971,925
	<hr/>
Net book value	
At 30 June 2018	29,971,925
	<hr/> <hr/>
At 30 June 2017	28,483,304
	<hr/> <hr/>

Capitalstart Limited**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**

continued

for the year ended 30 June 2018

6. INVESTMENT PROPERTIES CONTINUED

In the 2018 financial year investment properties were revalued using the most recent valuations prepared by the following Chartered Surveyors on an occupational/subject to lease basis:

- Cluttons

The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The director believes that there has been no material change to the value of properties since prior valuations, apart from 28 & 29 Thames street which was revalued in the year.

Investment properties included at a valuation would have been included on a historical cost basis at:

	2018 £	2017 £
Cost	<u>19,973,479</u>	<u>18,788,184</u>

No depreciation is provided in respect of the investment properties.

7. STOCKS

	2018 £	2017 £
Land – held for redevelopment	<u>41,674</u>	<u>41,674</u>

8. DEBTORS

	2018 £	2017 £
Amounts owed by group companies	8,676,545	8,114,480
Other debtors	10,390	1,890
Taxation	71,359	111,318
Prepayments and accrued income	37,814	49,492
	<u>8,796,108</u>	<u>8,277,180</u>

9. CREDITORS

Amounts falling due within one year	2018 £	2017 £
Bank overdrafts	138,983	17,334
Trade creditors	108,844	137,587
Amounts owed to group companies	17,765,286	16,481,533
Accruals and deferred income	198,075	73,520
	<u>18,211,188</u>	<u>16,709,974</u>

The company's assets are used as security for its own bank borrowings and those of other group companies.

Capitalstart Limited
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
for the year ended 30 June 2018

continued

10. PROVISIONS FOR LIABILITIES

The amounts provided for deferred taxation are analysed below:

	Capital allowances	Property revaluations	Total	Total
	£	£	2018 £	2017 £
At year start	144,566	1,397,263	1,541,829	1,647,472
Charged to profit and loss	6,343	-	6,343	19,133
Charged to reserves	-	1,449	1,449	(124,776)
At year end	<u>150,909</u>	<u>1,398,712</u>	<u>1,549,621</u>	<u>1,541,829</u>

The deferred tax liability of £150,909 is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

The deferred tax liability of £1,398,712 relates to investment property and is expected to reverse when the property is sold.

11. RESERVES

Revaluation Reserve

The cumulative revaluation gains and losses in respect of investment properties less the provision for the deferred taxation provision recognised during the year, except revaluation gains and losses recognised in profit or loss.

Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

12. FINANCIAL COMMITMENTS

The company has entered into a cross guarantee with certain fellow group undertakings in respect of borrowings. The assets of the company are pledged as security, by way of a fixed and floating charge. The company's potential liability in respect of these loans was £41,421,811 (2017: £38,536,065).

13. RELATED PARTY TRANSACTIONS

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group companies.

14. PARENT COMPANY

The immediate parent company is Rossmoregate Limited, a company registered in England and Wales.

The ultimate parent company is Rossmoregate London Limited, a company registered in England and Wales.

Rossmoregate London Limited prepares group financial statements and copies can be obtained from the Registrar of Companies, Crown Way, Cardiff.

15. CONTROLLING INTEREST

The company is controlled by its parent company Rossmoregate London Limited.

The company's ultimate controlling party is Haim Danous by virtue of his interest in the company's ultimate parent company.