

Registration number: 10627043

Locksbottom Properties Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 28 February 2023

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Locksbottom Properties Limited

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Locksbottom Properties Limited
(Registration number: 10627043)
Balance Sheet as at 28 February 2023

	Note	2023 £	2022 £
Fixed assets			
Investment property	4	2,832,656	2,840,460
Current assets			
Debtors	5	129,758	77,733
Cash at bank and in hand		38,399	109,567
		168,157	187,300
Creditors: Amounts falling due within one year	6	(226,085)	(61,044)
Net current (liabilities)/assets		(57,928)	126,256
Total assets less current liabilities		2,774,728	2,966,716
Creditors: Amounts falling due after more than one year	6	(2,827,670)	(2,963,550)
Provisions for liabilities		(46,625)	(45,117)
Net liabilities		(99,567)	(41,951)
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account		(100,567)	(42,951)
Total equity		(99,567)	(41,951)

The notes on pages 3 to 9 form an integral part of these financial statements.
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Locksbottom Properties Limited
(Registration number: 10627043)
Balance Sheet as at 28 February 2023

For the financial year ending 28 February 2023 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Accounts has been taken.

Approved and authorised by the Board on ~~28 October 2023~~ and signed on its behalf by:



S Stark
Director

Locksbottom Properties Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

1 General information

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

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

C/O McBrides Accountants LLP

Nexus House

2 Cray Road

Sidcup

Kent

DA14 5DA

England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including section 1A of Financial Reporting Standard 102 - 'The Financial Reporting standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102 1A'), and with the Companies Act 2006.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The nature of the company's business is such that loan finance is required in order for the company to acquire the properties within investment properties. The directors believe the accounts should be prepared on a going concern basis due to the ongoing input of the directors and other lenders.

Management continue to monitor trading activity as the risks of sales demand and recovery of lettings are ongoing. Measures to mitigate impact are now part of the day to day business. Whilst a reliable long-term forecast of the full consequences of COVID-19 on business isn't possible, after reviewing the company's forecasts and projections, and due to the ongoing support of the parent company and certain related parties, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Locksbottom Properties Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

Critical accounting judgements and key sources of estimation uncertainty

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

Specifically, judgements and estimates are required in determining the recoverability of trade debtors and the valuation of investment properties.

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.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable by way of rental income in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

Deferred corporation tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Locksbottom Properties Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets are classified as financial assets at fair value through profit or loss, loans and debtors, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, trade and other creditors, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

Recognition and measurement

All financial instruments are recognised initially at fair value plus transaction costs. Thereafter financial instruments are stated at amortised cost using the effective interest rate method (less impairment where appropriate) unless the effect of discounting would be immaterial in which case they are stated at cost (less impairment where appropriate). The exception to this are those financial instruments where it is a requirement to continue recording them at fair value through profit and loss.

Impairment

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 of the asset have been affected.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade and other debtors

Trade and other debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the transaction.

Trade and other creditors

Trade and other creditors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial. In such cases creditors are stated at transaction price.

Locksbottom Properties Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are taken to the Profit and Loss Account as interest expense.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 2 (2022 - 2).

4 Investment properties

	2023 £
At 1 March 2022	2,840,460
Fair value adjustments	<u>(7,804)</u>
At 28 February 2023	<u>2,832,656</u>

Locksbottom Properties Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

5 Debtors

		2023 £	2022 £
Current	Note		
Trade debtors		538	350
Amounts owed by related parties	10	25,168	-
Prepayments		9,548	10,388
Other debtors		94,504	66,995
		<u>129,758</u>	<u>77,733</u>

6 Creditors

		2023 £	2022 £
Due within one year	Note		
Bank loans and overdrafts	7	41,556	39,765
Trade creditors		1,748	3,408
Other taxation and social security		-	2,334
Other creditors		175,073	5,293
Corporation tax		7,708	10,244
		<u>226,085</u>	<u>61,044</u>
Due after one year			
Loans and borrowings	7	<u>2,827,670</u>	<u>2,963,550</u>

Locksbottom Properties Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

7 Loans and borrowings

	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	508,717	550,092
Redeemable preference shares	<u>2,318,953</u>	<u>2,413,458</u>
	<u>2,827,670</u>	<u>2,963,550</u>

Preference shares allotted

A total of 2,318,953 redeemable preference shares are in issue at the period end. The shares are non voting and accrue a preference dividend at a rate of 3.5% per annum (5.0% until April 2020), with preference dividends payable quarterly on 31 March, 30 June, 30 September and 31 December. The dividends are cumulative if not paid.

Bank borrowings

Bank loans and overdrafts have a carrying amount at the year end of £550,273 (2022 - £589,857) and are secured by a legal charge over the properties owned by the company and also by way of an unlimited debenture dated 29 March 2019 given by the company.

8 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 March 2022	45,117	45,117
Increase in existing provisions	<u>1,508</u>	<u>1,508</u>
At 28 February 2023	<u>46,625</u>	<u>46,625</u>

9 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
A Ordinary shares of £1 each	30	30	30	30
B Ordinary shares of £1 each	<u>970</u>	<u>970</u>	<u>970</u>	<u>970</u>
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Locksbottom Properties Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

10 Related party transactions

Summary of transactions with other related parties

The company has taken advantage of the exemption in FRS 102 33.1A "Related Party Disclosures" from disclosing transactions with other members of the group.

Other creditors include £169,780 (2022: £Nil) in respect of an unsecured loan from a company under common control. The loan is repayable on demand.

11 Reserves

The profit and loss account includes £133,061 (2022 - £142,374) of non-distributable reserves relating to the revaluation of investment properties.