

New Central Developments Limited

Report and Financial Statements

Year Ended

31 March 2019

Company Number 08713599

FRIDAY



L8K0XZJE

LD5

20/12/2019

#318

COMPANIES HOUSE

New Central Developments Limited

Report and financial statements for the year ended 31 March 2019

Contents

Page:

1	Directors' report
2	Statement of director's responsibilities
3	Independent auditor's report
6	Statement of income and statement of comprehensive income
7	Statement of financial position
8	Notes forming part of the financial statements

Directors

S J Connolly
M R Crowther
M H Hofbauer

Registered office

47 St. John's Wood High Street, London, NW8 7NJ

Company number

08713599

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

New Central Developments Limited

Directors' report for the year ended 31 March 2019

The directors present their report together with the audited financial statements for the year ended 31 March 2019.

Results

The statement of income and statement of comprehensive income is set out on page 6 and shows the loss for the year.

Principal activity and review of the business

The profit for the year ended 31 March 2019 is set out on page 6. The principal activity of the company is the development of building projects.

Directors

The directors of the company during the year were as follows:

S J Connolly
M R Crowther
M H Hofbauer

Auditors

All of the Directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Company's auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approval

This report was approved by the board and signed on its behalf



S J Connolly
Director

Date 19 DEC 2019

New Central Developments Limited

Statement of Director's responsibilities

Directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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 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.

New Central Developments Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NEW CENTRAL DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of New Central Developments Limited ("the Company") for the year ended 31 March 2019 which comprise Statement of income and statement of comprehensive income for the year ended 31 March 2019, Statement of financial position at 31 March 2019 and the notes to the financial statements, 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 March 2019 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 Auditor's 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 UK, including the FRC'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.

New Central Developments Limited

Independent auditor's report

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's 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 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.

Opinions 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

New Central Developments Limited

Independent auditor's report

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

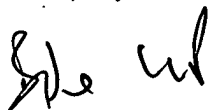
Auditor's responsibilities for the audit of the financial statements

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 auditor's 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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.



Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

19 DEC 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

New Central Developments Limited

Statement of income and statement of comprehensive income for the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover		-	1,932,000
Cost of sales		-	(1,805,846)
Gross profit		-	126,154
Administration expenses		(58,962)	(88,406)
Other income		15,000	15,000
Interest payable and similar charges	3	-	(10,643)
(Loss)/profit on ordinary activities before taxation	4	(43,962)	42,105
Taxation on (loss)/profit on ordinary activities	6	-	(8,149)
(Loss)/profit on ordinary activities after taxation		(43,962)	33,956
(Loss)/profit and total comprehensive income for the financial year		(43,962)	33,956

All amounts relate to continuing activities.

The notes on pages 8 to 12 form part of these financial statements

New Central Developments Limited

Statement of financial position at 31 March 2019

Company number 08713599	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	7		1,762		2,349
Current assets					
Stocks	8	2,011,814		1,972,798	
Debtors	9	287,764		243,927	
Cash at bank and in hand		711,675		1,495,247	
		<u>3,011,253</u>		<u>3,711,972</u>	
Creditors: amounts falling due within one year	10	<u>(2,589,406)</u>		<u>(3,246,750)</u>	
Net current assets			<u>421,847</u>		<u>465,222</u>
Net assets			<u>423,609</u>		<u>467,751</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account			423,509		467,471
Shareholders' funds			<u>423,609</u>		<u>467,571</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 19 DEC 2019


S J Connolly
Director

The notes on pages 8 to 12 form part of these financial statements.

New Central Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2019

1 Accounting policies

New Central Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 47 St John's Wood High Street, London, NW8 7NJ.

Accounting convention

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities.

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 (£).

Basis of measurement

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following principal accounting policies have been applied:

Stocks

Stocks represent property acquired for development together with work in progress on those properties. These assets are included at the lower of cost and net realisable value. Cost for this purpose comprises the purchase cost of land and buildings and development expenditure. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. Impairment loss is recognised immediately in profit or loss.

Profit and sales of developed properties is taken on receipt of sales proceeds at legal completion costs attributable to each sale comprise and appropriate portion of the total costs of the development.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Turnover

Turnover represents income for the sale of developed properties. Turnover is presented net of VAT and is recognised upon completion of the contract with the buyer.

Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. The estimated useful lives range as follows:

Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

New Central Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

Carrying value of inventories

In applying the company's accounting policy for the valuation of inventories the Directors are required to assess the expected selling price and costs to sell each of the units that constitute the company's work in progress. Cost includes the cost of acquisition of sites, the cost of infrastructure and construction works, and legal and professional fees incurred during development prior to sale. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of property.

Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the future selling price, the estimates will, in all likelihood, differ from the actual selling prices achieved in future periods and these differences may, in certain circumstances, be significant.

3 Interest payable and related charges

	2019 £	2018 £
On bank loans	-	10,643

Interest payable and related charges on bank loans included £nil (2018 - £7,244) in relation to expensing of the bank loan arrangement fee.

4 Operating profit

	2019 £	2018 £
This has been arrived at after charging:		
Auditors' remuneration	6,950	5,750
Write off of prepayments in relation to non-recoverable projects	-	187,742

Audit fees are recharged and paid by a related entity.

5 Employees

	2019 £	2018 £
Staff costs consist of:		
Wages and salaries	10,900	24,735
Social security costs	672	3,133
	11,572	27,868

The average number of employees in the year is 1 (2018 - 1).

New Central Development Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (continued)

6 Taxation on profit from ordinary activities

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	(43,962)	42,105
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(8,352)	7,999
Effects of: Utilisation of tax losses and other deductions	(8,352)	149
Current tax charge for the period	-	8,148

7 Fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost brought forward at 1 April 2018	956	3,220	4,176
Additions	-	-	-
Cost carried forward at 31 March 2019	956	3,220	4,176
Depreciation brought forward at 1 April 2018	418	1,409	1,827
Charge in year	147	440	587
Depreciation carried forward at 31 March 2019	565	1,849	2,414
Net book value At 31 March 2019	391	1,371	1,762
At 31 March 2018	538	1,811	2,349

8 Stock

	2019 £	2018 £
Work in progress	2,011,814	1,972,798

New Central Developments Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

9 Debtors

	2019 £	2018 £
VAT	1,604	11,363
Prepayments	282,411	232,564
Trade Debtors	3,750	-
	<u>287,764</u>	<u>243,927</u>

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	9,461	13,711
Amounts owed to related party	2,573,390	3,220,537
Other creditors	2,140	2,500
Taxation and social security	4,415	10,002
	<u>2,589,406</u>	<u>3,246,750</u>

11 Share capital

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

12 Commitments under operating leases

The company lets out stock under non-cancellable operating leases for the following minimum lease payments. There are no contingent rents.

	2019 £'000	2018 £'000
Within one year	15,000	15,000
One to five years	60,000	60,000
Over five years	29,055	44,055
	<u>104,055</u>	<u>119,055</u>

New Central Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

13 Related party transactions

During the year ended 31 March 2019, the company had the following outstanding balance with a partnership which is related by common control.

	Purchases from related party 2019 £	Amounts owed to related party 2019 £	Purchases from related party 2018 £	Amounts owed to related party 2018 £
Connolly, Crowther & Hofbauer LLP	-	2,573,390	1,750,000	3,220,537
Expenses recharged to New Central Development from Connolly, Crowther & Hofbauer LLP	27,011	-	51,621	-
Expenses recharged from New Central Development to Connolly, Crowther & Hofbauer LLP	46,286	-	-	-

14 Ultimate controlling party

The directors consider there to be no ultimate controlling party.