

Cape Associates Limited

Unaudited Financial Statements

For Filing with Registrar

For the year ended 30 November 2017

Company Registration No. 04319254 (England and Wales)

Cape Associates Limited

Company Information

Directors	A.J. Kent F. Kent
Secretary	F Kent
Company number	04319254
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD
Accountants	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

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Cape Associates Limited

Balance Sheet

As at 30 November 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Investment properties	2		615,000		585,000
Current assets					
Debtors	3	41,539		41,692	
Creditors: amounts falling due within one year	4	(168,283)		(191,077)	
Net current liabilities			(126,744)		(149,385)
Total assets less current liabilities			488,256		435,615
Creditors: amounts falling due after more than one year	5		(5,174)		(14,878)
Provisions for liabilities			(116,850)		(111,150)
Net assets			366,232		309,587
Capital and reserves					
Called up share capital	6		100		100
Profit and loss reserves			366,132		309,487
Total equity			366,232		309,587

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 November 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

Cape Associates Limited

Balance Sheet (Continued)

As at 30 November 2017

The financial statements were approved by the board of directors and authorised for issue on 30 August 2018 and are signed on its behalf by:

A.J. Kent
Director

Company Registration No. 04319254

Cape Associates Limited

Notes to the Financial Statements

For the year ended 30 November 2017

1 Accounting policies

Company information

Cape Associates Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 60 Goswell Road, London, EC1M 7AD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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 pound.

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.

These financial statements for the year ended 30 November 2017 are the first financial statements of Cape Associates Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 December 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 8.

1.2 Turnover

Turnover represents rental income from investment properties.

1.3 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 the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

Basic financial instruments are measured at cost. The company has no other financial instruments or basic financial instruments measured at fair value.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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Notes to the Financial Statements (Continued)

For the year ended 30 November 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Investment property

	2017 £
Fair value	
At 1 December 2016	585,000
Revaluations	30,000
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At 30 November 2017	615,000
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Investment property comprises two properties; Lutener road and Highview. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the director at the reporting dates by reference to market evidence of transaction prices for similar properties.

The historic cost of the investment properties at the balance sheet date is £313,099 (2016: £313,099).

3 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	41,539	41,692
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Cape Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 30 November 2017

4 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	9,974	19,232
Trade creditors	428	615
Corporation tax	7,751	7,843
Other creditors	150,130	163,387
	<u>168,283</u>	<u>191,077</u>

5 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	5,174	14,878
	<u>5,174</u>	<u>14,878</u>

The bank loan is secured by way of a legal charge over the investment properties.

6 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Cape Associates Limited

Notes to the Financial Statements (Continued)

For the year ended 30 November 2017

6 Called up share capital (Continued)

7 Related party transactions

The company paid a dividend of £nil (2016: £26,000) to the directors.

Included in other creditors is a loan provided by the director of £146,770 (2016: £160,987). This amount is interest free and unsecured.

During the year, the company charged Madams Farm Limited, a company controlled by Mr A.J. Kent and Mrs F. Kent, £13,200 (2016: £14,400) in rent. Madams Farm Limited continues to make a loan of £20,000 (2016: £20,000) available to Cape Associates Limited. The loan, of which £19,157 (2016: £18,701) is currently outstanding incurred interest charges of £456 (2016: £456) in the year. This loan is included within other debtors net of the £60,000 (2016: £60,000) management charges due to Cape Associates Limited in respect of prior years and has no set repayment date.

8 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 December 2015 £	30 November 2016 £
Equity as reported under previous UK GAAP		143,465	148,836
Adjustments arising from transition to FRS 102:			
Deferred tax movement	1	-	-
Deferred tax liability brought forward	1	(107,350)	(111,150)
Revaluation on property put to P&L	2	251,901	271,901
Equity reported under FRS 102		288,016	309,587

Reconciliation of profit for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		31,371
Adjustments arising from transition to FRS 102:		
Deferred tax movement	1	(3,800)
Deferred tax liability brought forward	1	-
Revaluation on property put to P&L	2	20,000
Profit reported under FRS 102		47,571

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Notes to the Financial Statements (Continued)

For the year ended 30 November 2017

8 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

Under FRS 102, the deferred tax on property valuations is recognised immediately where under previous UK GAAP it would have only been recognised when there was a commitment to sell. A deferred tax provision of £107,350 has been included at 1 December 2015. A tax credit of £3,800 has been recognised in the profit and loss account for the year ended 30 November 2016 and a deferred tax provision of £111,150.

The company has decided to take advantage of transitional provisions within FRS102 to elect to measure the fair value of certain items of freehold property and for that fair value to be used as deemed cost of the item going forward from the date of transition (1 December 2015). The fair value of the property at date of transition was £565,000.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.