

Registered number: 03666891

H SMITH HOLDINGS LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 AUGUST 2020



H SMITH HOLDINGS LIMITED

COMPANY INFORMATION

Directors	H T Smith C Reynolds C Spires
Registered number	03666891
Registered office	First Floor Kirkdale House Kirkdale Road Leytonstone London E11 1HP
Independent auditors	Moore Kingston Smith LLP Chartered Accountants & Registered Auditors Devonshire House 60 Goswell Road London EC1M 7AD

H SMITH HOLDINGS LIMITED

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H SMITH HOLDINGS LIMITED
REGISTERED NUMBER: 03666891

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	3	877,766	877,766
Investment property	4	7,413,000	8,163,000
		<u>8,290,766</u>	<u>9,040,766</u>
Current assets			
Debtors: amounts falling due within one year	5	10,071,468	10,059,518
Cash at bank and in hand	6	104,007	27,363
		<u>10,175,475</u>	<u>10,086,881</u>
Creditors: amounts falling due within one year	7	(5,030,800)	(5,109,164)
Net current assets		<u>5,144,675</u>	<u>4,977,717</u>
Total assets less current liabilities		<u>13,435,441</u>	<u>14,018,483</u>
Creditors: amounts falling due after more than one year	8	(3,718,240)	(3,710,832)
Provisions for liabilities			
Deferred tax	9	(635,875)	(715,835)
		<u>(635,875)</u>	<u>(715,835)</u>
Net assets		<u><u>9,081,326</u></u>	<u><u>9,591,816</u></u>
Capital and reserves			
Called up share capital	10	1,945,812	1,945,812
Revaluation reserve		3,668,521	4,338,561
Profit and loss account		3,466,993	3,307,443
		<u>9,081,326</u>	<u>9,591,816</u>

The Company's 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.

H SMITH HOLDINGS LIMITED
REGISTERED NUMBER: 03666891

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 April 2021.



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C Spire
Director

H SMITH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

H Smith Holdings Limited is a Limited company domiciled and incorporated in England and Wales. The registered office is First floor Kirkdale House, Kirkdale Road, Leytonstone, London, E11 1HP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 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 on the historical cost convention, modified to include investment properties. The principal accounting policies adopted are set out below.

2.2 Going concern

The company made a loss of £510,490 as a result of a decrease in value of the company's investment property. However, the company had net assets at the balance sheet date of £9,081,326. The Directors are closely monitoring the impact of COVID-19 on the activities of the company and this includes the ability of its tenants to pay rent and action will be taken by the Board if required which may involve seeking to reschedule debt repayments. The Board will regularly review the position moving forward and is working closely with key parties. Consequently the directors believe that the company will be able to continue to operate and meet its liabilities as they fall due for a period of at least one year from the date of approval of the financial statements. The financial statements have therefore been prepared on a going concern basis.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of rental income receivable, exclusive of Value Added Tax.

H SMITH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Current and deferred taxation

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

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. 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.

2.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account. The Company annually then transfers out of the Profit and Loss account to the Investment Property reserve, the net gain or loss, inclusive of the movement in Deferred tax to ensure the unrealised amounts are separately shown in the balance sheet.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Cash and cash equivalents

Cash and cash equivalents 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.

2.8 Financial instruments

Basic financial instruments are measured at cost. The Company has no financial instruments measured at fair value or classified as a financial instrument under FRS 102.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 September 2019	785,820	91,946	877,766
At 31 August 2020	785,820	91,946	877,766

Lloyds Bank Plc has a charge over the Company's 50% shareholding in Shanglade Limited.

Subsidiary undertakings

Name	Country of incorporation	Class of shares	Holding	Principal Activity
Aitch Investment Properties Limited	England & Wales	Ordinary	100%	Property Investment
H Smith (Copper House) Limited	England & Wales	Ordinary	100%	Property Investment
Door to Door Properties Limited	England & Wales	Ordinary	100%	Property Investment
Gasbury Limited	England & Wales	Ordinary	100%	Property Investment
Stamford Works Limited	England & Wales	Ordinary	100%	Property Investment
Coastalview Limited	England & Wales	Ordinary	100%	Property Investment

Associates

Name	Country of incorporation	Class of shares	Holding	Principal Activity
Shanglade Limited	England & Wales	Ordinary	50%	Property Investment
Stratford High Street Ventures Limited	England & Wales	Ordinary	13%	Property Development

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

4. Investment property

	Freehold investment property £
Valuation	
At 1 September 2019	8,163,000
Deficit on revaluation	(750,000)
At 31 August 2020	7,413,000
Comprising	
Cost	3,108,605
Annual revaluation surplus/(deficit):	
Up to 2018	5,361,395
2019	(307,000)
2020	(750,000)
At 31 August 2020	7,413,000

The 2020 valuations were made internally, by an employee of the group, who is MRICS (Member of Royal Institute of Chartered Surveyors) using an open market value on an existing use basis.

5. Debtors

	2020 £	2019 £
Trade debtors	42,700	34,955
Amounts owed by group undertakings	9,908,494	9,976,921
Amounts owed by joint ventures and associated undertakings	39,378	39,378
Other debtors	73,396	8,264
Prepayments and accrued income	7,500	-
	10,071,468	10,059,518

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	104,007	27,363
	104,007	27,363

7. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	658	37,080
Amounts owed to group undertakings	4,849,279	4,915,074
Other taxation and social security	-	3,256
Other creditors	112,869	82,906
Accruals and deferred income	67,994	70,848
	5,030,800	5,109,164

8. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	3,718,240	3,710,832
	3,718,240	3,710,832

Bank loans are net of prepaid loan arrangement costs of £9,260 (2019: £16,668) and are secured by a fixed charge on the assets of the Company by Nationwide Building Society. The aggregate amount of secured liabilities is £3,727,500 (2019: £3,727,500).

In addition to the above, Ridley Villas Limited, an associated company has provided a guarantee limited to £295,000 as additional security.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Deferred taxation

	2020 £	2019 £
At beginning of year	(715,835)	(751,350)
Credit/(charge) to profit or loss	79,960	35,515
At end of year	(635,875)	(715,835)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Unrealised gain on revaluation of investment properties	(635,875)	(715,835)
	(635,875)	(715,835)

10. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,945,812 (2019 - 1,945,812) Ordinary shares of £1.00 each	1,945,812	1,945,812

11. Related party transactions

The Company is exempt from disclosing related party transactions with companies that are wholly owned within the group.

At the year end, the company is owed £39,378 (2019: £39,378) from a company in which one of the directors has a non-controlling interest.

12. Controlling party

The ultimate parent company is Aitch Group Limited, a company registered in England & Wales.

Aitch Group Limited prepares consolidated financial statements and copies of these can be requested from its registered office.

H SMITH HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 August 2020 was unqualified.

The audit report was signed on 9 April 2021 by Matthew Meadows (Senior statutory auditor) on behalf of Moore Kingston Smith LLP.