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FCM Property Group Limited

Annual Report and Financial Statements

Year Ended

31 January 2019

Company Number 08463297

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FCM Property Group Limited

Company Information

Directors	F Montanaro J Montanaro
Registered number	08463297
Registered office	150 Aldersgate Street London EC1A 4AB
Independent auditors	BDO LLP Statutory Auditor 55 Baker Street London W1U 7EU

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FCM Property Group Limited**Group Strategic Report
For the Year Ended 31 January 2019**

Business review

The group is involved in the construction and sale of certain developments arising from its predecessor group Noble House Group. The Board is satisfied with its progress which is close to completion. Other than this there are no useful performance indicators or significant risks or uncertainties which should be disclosed.

Principal risks and uncertainties

The company's strategy is directed at reducing risk and building a sustainable and profitable business with predictable income streams and increasing margins. The Directors believe that their significant experience of the property market allow them to identify profitable development opportunities and their strong relationship with finance providers allows the group to secure the necessary funding to execute these opportunities. Risk management is an important issue to the group. The key risks to the business include:

Economic uncertainties

The London property market is affected by national macro economic conditions as well as by the investment and spending cycles that exist in many industries. Our spread across differing property types helps us to mitigate our exposure to short and medium term economic uncertainties.

Environmental risks

The directors recognise that the business activities affect the environment in many ways and the company utilises effective management systems to control the environmental impact of its products and services.

Human resources

The continued commitment of the company's employees, many of whom are long serving, is key to its success. The company continues to invest in its employees to maximise their potential through recognised training schemes and maintains a high level of qualified staff throughout the company.

Financial key performance indicators

The Group regularly reviews a number of financial key performance indicators at both board and operational levels.

	2019	2018
(Loss)/profit before tax	(£928,856)	£2,112,399
Turnover	£3,193,299	£20,334,254
Value of property	£10,993,607	£12,200,333
Loans	£7,506,966	£8,020,720
Loan to value	62%	66%
Cash at bank	£580,160	£1,916,559

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


F. Montanaro
Director

Date: 30 October 2019

FCM Property Group Limited

Directors' Report For the Year Ended 31 January 2019

The directors present their report and the financial statements for the year ended 31 January 2019.

Principal activity

The principal activity of the company is that of a holding company. The activities of the group is that of property development.

Results and dividends

The loss for the year, after taxation, amounted to £879,674 (2018 - profit £1,370,740).

Directors

The directors who served during the year were:

F Montanaro
J Montanaro

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

FCM Property Group Limited**Directors' Report (continued)
For the Year Ended 31 January 2019**

Subsequent events

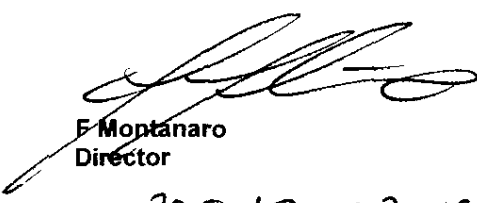
There have been no significant events affecting the Group since the year end.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the directors have appointed BDO LLP as auditor in their place. BDO LLP has indicated its willingness to continue in office.

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



**F Montanaro
Director**

Date: 30 October 2019

FCM Property Group Limited**Independent Auditors' Report to the Shareholders of FCM Property Group Limited**

Opinion

We have audited the financial statements of FCM Property Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 January 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 January 2019 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

FCM Property Group Limited

Independent Auditors' Report to the Shareholders of FCM Property Group Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

FCM Property Group Limited

Independent Auditors' Report to the Shareholders of FCM Property Group Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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 Willis ACA (Senior Statutory Auditor)

for and on behalf of

BDO LLP, Statutory Auditor

55 Baker Street
London
EC1A 4AB

Date: 31/10/2019

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

FCM Property Group Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 January 2019

	Note	2019 £	2018 £
Turnover	4	3,193,299	20,334,254
Cost of sales		(3,218,052)	(15,832,587)
Gross (loss)/profit		(24,753)	4,501,667
Administrative expenses		(617,833)	(999,041)
Operating (loss)/profit	5	(642,586)	3,502,626
Amortisation of goodwill		-	(1,225,000)
Interest receivable and similar income	8	7	328
Interest payable and expenses	9	(291,277)	(165,555)
Fair value movement		5,000	-
(Loss)/profit before taxation		(928,856)	2,112,399
Tax on (loss)/profit	10	49,182	(741,659)
(Loss)/profit for the financial year		(879,674)	1,370,740
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(879,674)	1,370,740
		(879,674)	1,370,740

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 15 to 35 form part of these financial statements.

FCM Property Group Limited
Registered number: 08463297

Consolidated Statement of Financial Position
As at 31 January 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	825,000	825,000
Tangible assets	12	25,295	36,551
Investments	13	483,001	420,001
Investment property	14	282,500	232,500
		<u>1,615,796</u>	<u>1,514,052</u>
Current assets			
Stocks	15	10,691,107	11,967,833
Debtors: amounts falling due within one year	16	8,816,224	8,683,966
Cash at bank and in hand	17	580,160	1,916,559
		<u>20,087,491</u>	<u>22,568,358</u>
Creditors: amounts falling due within one year	18	(19,303,323)	(20,802,772)
Net current assets		<u>784,168</u>	<u>1,765,586</u>
Total assets less current liabilities		<u>2,399,964</u>	<u>3,279,638</u>
Creditors: amounts falling due after more than one year	19	(200,000)	(200,000)
Provisions for liabilities			
Deferred taxation	22	(2,104)	(2,104)
		<u>(2,104)</u>	<u>(2,104)</u>
Net assets		<u><u>2,197,860</u></u>	<u><u>3,077,534</u></u>

FCM Property Group Limited
Registered number: 08463297

Consolidated Statement of Financial Position (continued)
As at 31 January 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital	23	5	5
Profit and loss account		2,197,855	3,077,529
Equity attributable to owners of the parent Company		<u>2,197,860</u>	<u>3,077,534</u>
		<u>2,197,860</u>	<u>3,077,534</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


F. Montanaro
Director

Date: 30 October 2019

The notes on pages 15 to 35 form part of these financial statements.

FCM Property Group Limited
Registered number: 08463297

Company Statement of Financial Position
As at 31 January 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	13	5,247,500	5,247,500
		<u>5,247,500</u>	<u>5,247,500</u>
Current assets			
Debtors: amounts falling due within one year	16	1,042,114	1,024,614
Cash at bank and in hand	17	63	463,753
		<u>1,042,177</u>	<u>1,488,367</u>
Creditors: amounts falling due within one year	18	(3,118,245)	(3,557,200)
Net current liabilities		<u>(2,076,068)</u>	<u>(2,068,833)</u>
Total assets less current liabilities		<u>3,171,432</u>	<u>3,178,667</u>
Net assets excluding pension asset		<u>3,171,432</u>	<u>3,178,667</u>
Net assets		<u>3,171,432</u>	<u>3,178,667</u>
Capital and reserves			
Called up share capital	23	5	5
Profit and loss account brought forward		3,178,662	3,186,999
Loss for the year		(7,235)	(8,337)
		<u>3,171,427</u>	<u>3,178,662</u>
Profit and loss account carried forward		<u>3,171,432</u>	<u>3,178,667</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



F. Montanaro
Director

Date: 30 October 2019

The notes on pages 15 to 35 form part of these financial statements.

FCM Property Group Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 January 2019

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 February 2017	5	1,706,789	1,706,794	1,706,794
Comprehensive income for the year				
Profit for the year	-	1,370,740	1,370,740	1,370,740
Total comprehensive income for the year	-	1,370,740	1,370,740	1,370,740
At 1 February 2018	5	3,077,529	3,077,534	3,077,534
Comprehensive income for the year				
Loss for the year	-	(879,674)	(879,674)	(879,674)
Total comprehensive income for the year	-	(879,674)	(879,674)	(879,674)
At 31 January 2019	5	2,197,855	2,197,860	2,197,860

FCM Property Group Limited

Company Statement of Changes in Equity For the Year Ended 31 January 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2017	5	3,186,999	3,187,004
Comprehensive income for the year			
Loss for the year	-	(8,337)	(8,337)
	-	(8,337)	(8,337)
Total comprehensive income for the year			
	5	3,178,662	3,178,667
At 1 February 2018	5	3,178,662	3,178,667
Comprehensive income for the year			
Loss for the year	-	(7,235)	(7,235)
	-	(7,235)	(7,235)
Total comprehensive income for the year			
	5	3,171,427	3,171,432

FCM Property Group Limited

Consolidated Statement of Cash Flows For the Year Ended 31 January 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(879,674)	1,370,740
Adjustments for:		
Impairments of fixed assets	-	1,225,000
Depreciation of tangible assets	8,696	12,184
Loss on disposal of tangible assets	(636)	-
Interest paid	291,246	165,368
Interest received	(7)	(328)
Taxation charge	(49,182)	741,659
Decrease in stocks	1,196,726	12,824,208
(Increase)/decrease in debtors	(28,200)	468,406
(Increase)/decrease in amounts owed by joint ventures	(919,058)	-
Decrease in amounts owed by associates	100,000	-
Decrease in amounts owed by participating ints	715,000	-
(Decrease) in creditors	(147,569)	(4,908,950)
Corporation tax (paid)	(788,944)	(279,174)
Net cash generated from operating activities	(501,602)	11,619,113
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,504)	(1,874)
Sale of tangible fixed assets	6,700	-
Sale of investment properties	30,000	-
Loan to associate	(63,000)	(420,001)
Interest received	7	328
Net cash from investing activities	(29,797)	(421,547)
Cash flows from financing activities		
Repayment of loans	(513,754)	(9,770,560)
Interest paid	(291,246)	(165,368)
Net cash used in financing activities	(805,000)	(9,935,928)
Net (decrease)/increase in cash and cash equivalents	(1,336,399)	1,261,638
Cash and cash equivalents at beginning of year	1,916,559	654,921
Cash and cash equivalents at the end of year	580,160	1,916,559
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	580,160	1,916,559

FCM Property Group Limited**Notes to the Financial Statements
For the Year Ended 31 January 2019**

1. General information

These financial statements are presented in Pounds (GBP), as that is the currency in which all of the group's transactions are denominated. They comprise the financial statements of the group and the company for the year ended 31 January 2019 and presented to the nearest Pound.

The principal activity of the group during the year was that of purchase, development and resale of property.

The company's activity is that of a holding company.

The company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is 150 Aldersgate Street, London, United Kingdom, EC1A 4AB.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

FCM Property Group Limited**Notes to the Financial Statements
For the Year Ended 31 January 2019**

2. Accounting policies (continued)**2.3 Associates and joint ventures**

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Accounting policies (continued)**2.5 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	25% straight-line
Fixtures and fittings	-	25% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**Notes to the Financial Statements
For the Year Ended 31 January 2019**

2. Accounting policies (continued)**2.9 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

FCM Property Group Limited**Notes to the Financial Statements
For the Year Ended 31 January 2019**

2. Accounting policies (continued)**2.12 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Borrowing costs

Where they can be directly attributed to the development of a property, borrowing costs are capitalised within work in progress. All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

FCM Property Group Limited**Notes to the Financial Statements
For the Year Ended 31 January 2019**

2. Accounting policies (continued)**2.16 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.18 Current and deferred taxation

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

The current income 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

FCM Property Group Limited**Notes to the Financial Statements
For the Year Ended 31 January 2019****2. Accounting policies (continued)****2.19 Pensions****Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The key estimate in use in the year relates to the forecast profitability of projects which underlies the carrying value of stock. The Board considers whether estimated costs to complete together with historic cost can be recovered by estimated sales values, and makes a provision if a loss is expected. This process involves unavoidable uncertainty but the Board has considerable experience in the preparation and review of these estimates and believes that they are reliable.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019	2018
	£	£
Sale of properties	2,852,750	20,102,850
Management fees	-	100,000
Rent receivable (inc. ground rent)	340,549	131,404
	<u>3,193,299</u>	<u>20,334,254</u>

All turnover arose within the United Kingdom.

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	8,696	12,184
Impairment of intangible assets	-	1,225,000
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	15,000	28,510
Other operating lease rentals	59,942	65,000
	<u>83,638</u>	<u>1,330,694</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	322,448	474,747	-	-
Cost of defined contribution scheme	1,515	-	-	-
	<u>323,963</u>	<u>474,747</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Employees	6	7

The directors of the company are considered to be the only key management personnel.

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	87,676	150,000
	<u>87,676</u>	<u>150,000</u>

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

8. Interest receivable

	2019 £	2018 £
Other interest receivable	7	328
	<u>7</u>	<u>328</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Other loan interest payable	282,135	165,368
Finance leases and hire purchase contracts	31	187
Interest on overdue tax	9,111	-
	<u>291,277</u>	<u>165,555</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	738,962
Adjustments in respect of previous periods	(49,182)	2,552
	<u>(49,182)</u>	<u>741,514</u>
Total current tax	<u>(49,182)</u>	<u>741,514</u>
Deferred tax		
Origination and reversal of timing differences	-	145
Total deferred tax	<u>-</u>	<u>145</u>
Taxation on (loss)/profit on ordinary activities	<u>(49,182)</u>	<u>741,659</u>

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 -19.16%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	(928,856)	2,112,399
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 -19.16%)	(176,483)	404,706
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	273,976
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,026	30,306
Capital allowances for year in excess of depreciation	(1,246)	33
Adjustments to tax charge in respect of prior periods	(49,182)	4,432
Deferred tax not recognised	-	(93)
Unrelieved tax losses carried forward	167,653	28,331
Other differences leading to an increase (decrease) in the tax charge	(950)	-
Adjust deferred tax to closing rate of 19.16%	-	(32)
Total tax charge for the year	(49,182)	741,659

FCM Property Group Limited**Notes to the Financial Statements
For the Year Ended 31 January 2019****11. Intangible assets****Group and Company**

	Goodwill £
Cost	
At 1 February 2018	825,000
At 31 January 2019	<u>825,000</u>
Net book value	
At 31 January 2019	<u>825,000</u>
At 31 January 2018	<u>825,000</u>

Goodwill represents the excess of the consideration paid for the group in 2016 over the net book value of the assets acquired, principally stock.

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

12. Tangible fixed assets

Group

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 February 2018	35,414	100,236	135,650
Additions	-	3,504	3,504
Disposals	(35,414)	-	(35,414)
At 31 January 2019	-	103,740	103,740
Depreciation			
At 1 February 2018	29,086	70,013	99,099
Charge for the year on owned assets	264	8,432	8,696
Disposals	(29,350)	-	(29,350)
At 31 January 2019	-	78,445	78,445
Net book value			
At 31 January 2019	-	25,295	25,295
At 31 January 2018	6,328	30,223	36,551

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

13. Fixed asset investments

Group

	Investments in associates £
Cost or valuation	
At 1 February 2018	420,001
Additions	63,000
At 31 January 2019	<u>483,001</u>

The investment in associated companies represents 50% of the ordinary share capital in Noble House Projects Limited for £1 together with an initial loan of £420,000 and a loan made of £63,000 in the year.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 February 2018	5,247,500
At 31 January 2019	<u>5,247,500</u>

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Company number	Principal activity	Class of shares	Holding
FCM Trading Limited	08462902	Holding company	Ordinary	100%
65-69 White Lion Street Limited	06058164	Property development	Ordinary	100%
Micagold Limited	03201148	Property development	Ordinary	100%
NHPV (Greatorex) Limited	06624713	Property development	Ordinary	100%
Noble House Properties Limited	03200860	Property development	Ordinary	100%
*Noble House (Middlesex Street) Limited	00477266	Property development	Ordinary	100%
*Noble House Acquisitions Limited	07655177	Property development	Ordinary	100%
*146 Caledonian Road Limited	08989109	Property development	Ordinary	100%
*Packington Estates Limited	11229070	Property development	Ordinary	100%
Belgrade Road LLP	OC384852	Property development		
Shelford Place LLP	OC320368	Property development		

The registered office of each entity is 150 Aldersgate Street, London, EC1A 4AB.

*Companies owned directly by Noble House Properties Limited.

The aggregate of the share capital and reserves as at 31 January 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
*FCM Trading Limited	7,168,394	(37,893)
*65-69 White Lion Street Limited	2,500,386	35,755
*Micagold Limited	44,071	(22,612)
*NHPV (Greatorex) Limited	330,079	26,097
*Noble House Properties Limited	4,516,909	(513,956)
*Noble House (Middlesex Street) Limited	(502,090)	(353,264)
*Noble House Acquisitions Limited	26,181	(7,360)
*146 Caledonian Road Limited	(1,935)	(4,205)
*Packington Estates Limited	50	-
*Belgrade Road LLP	-	-
*Shelford Place LLP	-	-

*The subsidiary companies above are exempt from the requirements relating to audit of individual accounts under section 479a, of the Companies Act 2006.

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 February 2018	232,500
Transfers from work in progress	80,000
Disposals	(30,000)
At 31 January 2019	282,500

The investment property has been valued by the directors based on external advice.

15. Stocks

	Group 2019 £	Group 2018 £
Work in progress	10,691,107	11,967,833
	10,691,107	11,967,833

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The total value of stock recognised as an expense in cost of sales was £3,268,052 (2018: £15,654,439).

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	2,288	3,677	-	-
Amounts owed by group undertakings	-	-	1,039,769	922,269
Amounts owed by joint ventures and related undertakings (note 24)	8,722,053	8,617,995	2,340	102,340
Other debtors	77,820	43,850	5	5
Prepayments and accrued income	14,063	18,444	-	-
	8,816,224	8,683,966	1,042,114	1,024,614

All of the above financial assets are held at amortised cost.

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	580,160	1,916,559	63	463,753
	580,160	1,916,559	63	463,753

The above cash balance is held at fair value.

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans (note 20)	7,506,966	8,020,720	-	-
Trade creditors	35,403	16,721	-	-
Amounts owed to group undertakings	-	-	1,986,045	2,425,000
Amounts owed to related undertakings (note 24)	8,052,523	8,237,643	300,000	300,000
Corporation tax	-	738,962	-	-
Other taxation and social security	16,222	14,087	-	-
Obligations under finance lease and hire purchase contracts	-	6,978	-	-
Other creditors	3,624,304	3,675,836	825,000	825,000
Accruals and deferred income	67,905	91,825	7,200	7,200
	19,303,323	20,802,772	3,118,245	3,557,200

Other creditors include balances of £2,782,810 (2018: £2,828,273) due to the director, F Montanaro. The loan is unsecured, interest-free and repayable on demand.

All of the above financial liabilities are held at amortised cost.

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

	Group 2019 £	Group 2018 £
Other creditors	200,000	200,000
	200,000	200,000

Other creditors represent amounts due to the director, F Montanaro. The loan is interest free, unsecured and repayable on demand.

All of the above financial liabilities are held at amortised cost.

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

20. Loans

	Group 2019 £	Group 2018 £
Amounts falling due within one year		
Bank loans	7,506,966	8,020,720
	<u>7,506,966</u>	<u>8,020,720</u>

Bank loans consists of loans to subsidiary undertakings for the purpose of property development. The following loans were outstanding at 31 January 2019:

A loan of £3,875,000 with Investec Bank Plc. Interest payable is at LIBOR plus 3% and the loan is repayable on 6 November 2020.

A loan of £3,379,600 with Oaknorth Bank Plc with a total available facility of £5,000,000. The loan has interest payable at LIBOR plus 4% and is repayable on 7 September 2022.

A loan of £252,366 with Investec Bank Plc of a total available facility of £270,000. The loans had interest payable at LIBOR plus 5% and is repayable on 2 November 2019.

The loans are secured on the projects and although they have various short-term repayment dates they are, in practice, repayable on completion of the projects.

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

21. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	580,160	1,916,559	63	463,753
Financial assets that are debt instruments measured at amortised cost	8,750,094	8,647,914	1,042,114	1,024,614
	<u>9,330,254</u>	<u>10,564,473</u>	<u>1,042,177</u>	<u>1,488,367</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(16,703,004)	(17,709,724)	-	-

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade debtors, amounts due from related undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of bank loans, trade creditors, amounts due to related undertakings, hire purchase liabilities, other creditors, and accruals.

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

22. Deferred taxation

Group

	2019 £
At beginning of year	(2,104)
Charged to profit or loss (note 10)	-
At end of year	(2,104)

	Group 2019 £	Group 2018 £
Accelerated capital allowances	(2,104)	(2,104)
	<u>(2,104)</u>	<u>(2,104)</u>

23. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
5 (2018 -5) Ordinary shares of £1.00 each	5	5

FCM Property Group Limited

Notes to the Financial Statements For the Year Ended 31 January 2019

24. Related party transactions

The company has taken advantage of the exemption available under FRS102 in relation to the disclosure of transactions with wholly owned group members.

The group and company had a number of funding transactions with other related parties during the year and at the year end had outstanding balances of:

	Group 2019 £	Group 2018 £	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
The Noble House Group Limited	6,757,229	6,757,229	(5,095,087)	(5,145,087)	(300,000)	(300,000)
Noble House Holdings Limited	339,974	838,416	(2,013,486)	(2,154,606)	-	-
The Mews (Chartlon Place) LLP	-	-	-	-	-	-
Noble House Homes Limited	1,617,350	1,017,350	(581,450)	(581,450)	2,340	102,340
Noble House Trading Limited	7,500	-	(362,500)	(356,500)	-	-
Swains Lane Limited	-	-	-	-	-	-
Noble House Estates London Limited	-	5,000	-	-	-	-
	<u>8,722,053</u>	<u>8,617,995</u>	<u>(8,052,523)</u>	<u>(8,237,643)</u>	<u>(297,660)</u>	<u>(197,660)</u>

25. Controlling party

The group is under control of its directors who own the whole of the share capital of the parent company.