

FUNEVEN LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2023



STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	8,961,096	8,421,589
Current assets			
Debtors: amounts falling due within one year	6	338,796	391,344
Bank and cash balances		939,351	375,764
		<u>1,278,147</u>	<u>767,108</u>
Creditors: amounts falling due within one year	7	(638,376)	(713,944)
Net current assets		<u>639,771</u>	<u>53,164</u>
Total assets less current liabilities		<u>9,600,867</u>	<u>8,474,753</u>
Provisions for liabilities			
Deferred tax	8	(2,236,238)	(2,089,132)
		<u>(2,236,238)</u>	<u>(2,089,132)</u>
Net assets		<u><u>7,364,629</u></u>	<u><u>6,385,621</u></u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve		1,985,000	1,440,000
Profit and loss account		5,379,529	4,945,521
		<u><u>7,364,629</u></u>	<u><u>6,385,621</u></u>

The 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.

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



Suzanne Lee
Director

Date: 6 September 2023

The notes on pages 3 to 11 form part of these financial statements.

FUNEVEN LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2021	100	1,600,000	5,829,099	7,429,199
Comprehensive income for the year				
Profit for the year	-	-	565,390	565,390
Tax relating to other comprehensive income	-	-	(448,968)	(448,968)
Revaluation of tangible fixed assets	-	(160,000)	-	(160,000)
Dividends	-	-	(1,000,000)	(1,000,000)
At 1 April 2022	100	1,440,000	4,945,521	6,385,621
Comprehensive income for the year				
Profit for the year	-	-	581,114	581,114
Tax relating to other comprehensive income	-	-	(147,106)	(147,106)
Revaluation of tangible fixed assets	-	545,000	-	545,000
At 31 March 2023	100	1,985,000	5,379,529	7,364,629

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Funeven Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 Queen Street Place, London, EC4R 1BE.

2. Accounting policies

2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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

2.2 Going concern

At the date of approval of these financial statements, the Company has positive net assets. The directors have reviewed the cash flow forecast for the business for the next 12 months and have assessed that there is a reasonable expectation that the Company will have sufficient financial resources to continue in operational existence for the foreseeable future and to meet its liabilities as they fall due.

The directors have therefore concluded that it is appropriate that the financial statements of the Company should be prepared on a going concern basis.

2.3 Turnover

Turnover represents wayleave fees, service charges and other rental income receivable in the year, net of value added tax, accounted for in accordance with the terms of signed supporting agreements. Where such agreements have lapsed but agreement for renewal is either agreed in principle or reasonably certain, then the relevant portion of income accruing from the renewal date is included in deriving turnover for the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 Tangible fixed assets

Land is carried at fair value at the balance sheet date. Revaluations are undertaken with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

Fair values are determined by the directors following guidance from professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which the excess losses are recognised in profit or loss. Land is not depreciated.

Tangible fixed assets under the cost model 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:

Freehold land and ducts	- 0% - 15% on cost
Electrical installations	- 33% on cost
Computer equipment	- 33% on cost

The assets' residual values and useful lives and the depreciation rates and 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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.5 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.6 Cash at bank and in hand

Cash and cash equivalents 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.7 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'Creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.8 Equity instruments

Equity instruments issued by the Company are recorded as the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.9 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 income statement 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 period end date.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2.12 Deferred income

Deferred income represents amounts invoiced to customers in advance in respect of future periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Valuation of freehold property

Tangible fixed assets include freehold property with a carrying value of £8,885,000. The Company has adopted the revaluation model in respect of the freehold property. An independent, professional valuation has been undertaken as at the period end based on the fair value of the property, in accordance with the Royal Institution of Chartered Surveyors' Red Book valuation method, to estimate the fair value to be used as the carrying value of the asset in these financial statements.

The fair value is derived by calculating the discounted cash flows relating to the income generated from the property. The key areas of estimation involved in arriving at the fair value are the discount factors applied to each income stream, which are a best estimate of the risk associated with the rental growth projected and the future take up of spare capacity. An additional element of discounting has been applied to income streams from wayleaves outside the Joint Trench in order to reflect the uncertainty posed to renewals by the new Electronic Communications Code (the "Code"), the impact of which is a best estimate, since there is only limited relevant legal precedent as at the reporting period end date.

4. Employees

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

	2023 No.	2022 No.
Total	-	1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Tangible fixed assets

	Land £	Plant and machinery etc £	Buildings and other infrastructure £	Total £
Cost or valuation				
At 1 April 2022	8,340,000	747,270	235,096	9,322,366
Additions	-	-	43,332	43,332
Revaluations	545,000	-	-	545,000
At 31 March 2023	8,885,000	747,270	278,428	9,910,698
Depreciation				
At 1 April 2022	-	713,334	187,443	900,777
Charge for the year on owned assets	-	1,761	47,064	48,825
At 31 March 2023	-	715,095	234,507	949,602
Net book value				
At 31 March 2023	8,885,000	32,175	43,921	8,961,096
At 31 March 2022	8,340,000	33,936	47,653	8,421,589

The carrying value of freehold land and buildings is comprised of freehold land valued at £8,885,000 under the revaluation model and building structures recognised at historic cost less depreciation. The freehold land was valued by Powis Hughes Chartered Surveyors as at 31 March 2023 to derive the carrying value shown above and was valued on an open market value basis.

6. Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	318,617	372,149
Other debtors	20,179	19,195
	338,796	391,344

Trade debtors includes £240,191 (2022: £293,574) held in the property manager's client account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	19,328	35,069
Corporation tax	135,710	134,646
Other taxation and social security	-	77,905
Other creditors	31,366	9,841
Accruals and deferred income	451,972	456,483
	<u>638,376</u>	<u>713,944</u>

8. Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2023 £	2022 £
Movements in the year:		
At beginning of year	(2,089,132)	(1,640,164)
Charged to other comprehensive income	(147,106)	(448,968)
At end of year	<u>(2,236,238)</u>	<u>(2,089,132)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(14,988)	(4,132)
Gains accumulated on revaluation of freehold land	(2,221,250)	(2,085,000)
	<u>(2,236,238)</u>	<u>(2,089,132)</u>

9. Related party transactions

The Company did not have any related party transactions during the period, other than those that were conducted under normal market conditions which are exempt from disclosure under the small companies exemption of Financial Reporting Standard 102, Section 1A.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2023 was unqualified.

The audit report was signed on 6 September 2023 by Jake Pearlman (Senior Statutory Auditor) on behalf of Haysmacintyre LLP.