

Financial Statements

Ground Rent Estates Limited

For the year ended 31 October 2017



Registered number: 03848947

Company Information

Directors	D I Pither R Steinhouse J K E Jackson
Company secretary	J K E Jackson
Registered number	03848947
Registered office	353 Kentish Town Road London NW5 2TJ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG
Solicitors	Stevensons Gorgate Chambers Gorgate Drive Hoe Dereham Norfolk NR20 4HB

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 6
Statement of comprehensive income	7
Statement of financial position	8
Notes to the financial statements	9 - 11

Directors' report

For the year ended 31 October 2017

The directors present their report and the financial statements for the year ended 31 October 2017.

Principal activity

The principal activity of the company during the year was that of dealing in ground rents and freehold reversions.

Directors

The directors who served during the year were:

D I Pither
R Steinhouse
J K E Jackson

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Going concern

The directors have assessed, that the company has adequate resources to meet the ongoing costs of the business for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of the assets and liabilities in the normal course of business.

Directors' report (continued)

For the year ended 31 October 2017

Disclosure of information to auditor

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's auditor is 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's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 April 2018 and signed on its behalf.



J K E Jackson
Secretary

Independent auditor's report to the members of Ground Rent Estates Limited

Opinion

We have audited the financial statements of Ground Rent Estates Limited for the year ended 31 October 2017, which comprise the Statement of comprehensive income, the Statement of financial position 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 company's affairs as at 31 October 2017 and of its profit 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 company 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.

Who we are reporting to

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report to the members of Ground Rent Estates Limited (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



Independent auditor's report to the members of Ground Rent Estates Limited (continued)

Matters on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Ground Rent Estates Limited (continued)

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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Grant Thornton UK LLP

Elizabeth Collins BSc(Hons) ACA (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants
Senior Statutory Auditor
London

23 April 2018

Statement of comprehensive income

For the year ended 31 October 2017

	Note	2017 £	2016 £
Turnover		26,777	13,776
Cost of sales		(8,155)	(7,461)
Gross profit		18,622	6,315
Interest payable and expenses		(4)	-
Profit before tax		18,618	6,315
Tax on profit		(127,536)	(1,263)
(Loss)/profit for the financial year		(108,918)	5,052

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £ Nil).

The notes on pages 9 to 11 form part of these financial statements.

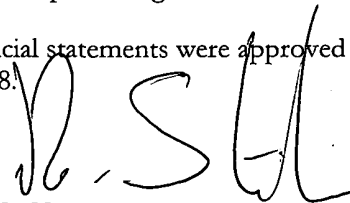
Statement of financial position

As at 31 October 2017

	Note	2017 £	2016 £
Current assets			
Stocks	6	67,200	67,201
Debtors: amounts falling due within one year	7	150	600
		<u>67,350</u>	<u>67,801</u>
Creditors: amounts falling due within one year	8	(157,406)	(48,939)
Net current (liabilities)/assets		<u>(90,056)</u>	<u>18,862</u>
Total assets less current liabilities		<u>(90,056)</u>	<u>18,862</u>
Net (liabilities)/assets		<u><u>(90,056)</u></u>	<u><u>18,862</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(90,057)	18,861
		<u><u>(90,056)</u></u>	<u><u>18,862</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 were approved and authorised for issue by the board and were signed on its behalf on 23 April 2018.


R Steinhouse
Director

The notes on pages 9 to 11 form part of these financial statements.

Notes to the financial statements

For the year ended 31 October 2017

1. General information

Ground Rent Estates Limited is a private company limited by shares and incorporated in England and Wales. Registered number: 03848947. Its registered head office is located at 353 Kentish Town Road, London, NW5 2TJ.

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 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 presented in sterling (£)

Information on the impact of first-time adoption of FRS 102 is given in note 11.

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

The following principal accounting policies have been applied:

2.2 Going concern

The directors have assessed, that the company has adequate resources to meet the ongoing costs of the business for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of the assets and liabilities in the normal course of business.

2.3 Turnover

Turnover represents the proceeds of ground rent and freehold reversion sales together with rents receivable, fees and insurance premiums. Ground rents and freehold reversion sales are recognised when the transaction is completed. Rental income and insurance commission are recognised in the period to which they relate. Fees are recognised when the service is performed.

2.4 Stocks

Stocks of ground rents are acquired and held with the intention of resale and are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

2.5 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.

Notes to the financial statements

For the year ended 31 October 2017

2. Accounting policies (continued)

2.6 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.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Taxation

Tax is recognised in the Statement of comprehensive income, 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 operates and generates income.

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

No judgements have been made in preparing these financial statements.

4. Auditor's remuneration

For the year ended 31 October 2017 and 31 October 2016, the audit fees for the company were born by its parent, The Freehold Group Limited.

5. Employees

The average monthly number of employees, including directors, during the year was 0 (2016: 0).

6. Stocks

	2017 £	2016 £
Freehold property stock cost	<u>67,200</u>	<u>67,201</u>

Notes to the financial statements

For the year ended 31 October 2017

7. Debtors

	2017 £	2016 £
Trade debtors	150	600

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	152,240	46,005
Corporation tax	3,614	1,263
Other creditors	1,552	1,671
	<u>157,406</u>	<u>48,939</u>

9. Related party transactions

The company has taken advantage of the exemption under FRS 102 Section 33.1a from disclosing transactions with other group companies wholly owned within the group.

During the year the company paid £10,460 (2016: £9,574) to Residents Insurance Services Limited for insurance costs and received insurance commission of £2,305 (2016: £2,113) from Residents Insurance Services Limited.

10. Controlling party

The immediate and ultimate parent company is The Freehold Group Limited, a company incorporated in the UK. The ultimate controlling party is R Steinhouse by virtue of his majority shareholding.

11. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.