

FLETCHER GATE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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FLETCHER GATE LIMITED

COMPANY INFORMATION

DIRECTORS	G A Lee E Azouz J Azouz E Elliott P Rowe (resigned 14 July 2016)
COMPANY SECRETARY	E Elliott
REGISTERED NUMBER	04144438
REGISTERED OFFICE	Grove Lodge 287 Regents Park Road London N3 3JY
INDEPENDENT AUDITORS	SRLV Chartered Accountants & Statutory Auditor 89 New Bond Street London W1S 1DA

FLETCHER GATE LIMITED

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FLETCHER GATE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of property development.

DIRECTORS

The directors who served during the year were:

G A Lee
E Azouz
J Azouz
E Elliott
P Rowe (resigned 14 July 2016)

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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 auditors are aware of that information.

AUDITORS

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

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 22nd December 2016 and signed on its behalf.



E Elliott
Secretary

FLETCHER GATE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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 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.

FLETCHER GATE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FLETCHER GATE LIMITED

We have audited the financial statements of Fletcher Gate Limited for the year ended 31 March 2016, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FLETCHER GATE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FLETCHER GATE LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.


Marc Voulters (Senior statutory auditor)

for and on behalf of
SRLV

Chartered Accountants
Statutory Auditor

89 New Bond Street
London
W1S 1DA

22 DEC 2016

FLETCHER GATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
TURNOVER	1	1,198,850	601,300
Cost of sales		(814,749)	(570,524)
		<hr/>	<hr/>
GROSS PROFIT		384,101	30,776
Administrative expenses		(191,531)	(85,076)
Other operating income	2	246,781	257,747
		<hr/>	<hr/>
OPERATING PROFIT	3	439,351	203,447
Interest payable and similar charges	4	(56,608)	(63,786)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		382,743	139,661
Tax on profit on ordinary activities	5	(30,023)	(13,943)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	13	352,720	125,718
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the Profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

FLETCHER GATE LIMITED
REGISTERED NUMBER: 04144438

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	6		1,119		3,848
Investments	7		1		1
			<u>1,120</u>		<u>3,849</u>
CURRENT ASSETS					
Stocks	8	1,894,087		2,683,485	
Debtors	9	5,292,883		4,965,389	
Cash at bank		474,387		-	
		<u>7,661,357</u>		<u>7,648,874</u>	
CREDITORS: amounts falling due within one year	10	(8,819,118)		(8,860,579)	
NET CURRENT LIABILITIES			<u>(1,157,761)</u>		<u>(1,211,705)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,156,641)</u>		<u>(1,207,856)</u>
CREDITORS: amounts falling due after more than one year	11		(1,408,693)		(1,710,198)
NET LIABILITIES			<u>(2,565,334)</u>		<u>(2,918,054)</u>
CAPITAL AND RESERVES					
Called up share capital	12		4		4
Profit and loss account	13		(2,565,338)		(2,918,058)
SHAREHOLDERS' DEFICIT			<u>(2,565,334)</u>		<u>(2,918,054)</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

22 DEC 2016

G A Lee
Director

The notes on pages 7 to 12 form part of these financial statements.

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

The parent companies, Kerrington Limited and Central Estates Limited, have committed to continuing to support the company for a period of not less than one year from the date of signing the financial statements.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result in a withdrawal of the parent companies' support.

1.3 Turnover

Turnover comprises the value of development stock and work in progress sold during the year. Sales are recognised on exchange of contracts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% straight line
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1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Stocks

Developments in progress are valued at the lower of cost and net realisable value. Provision is made for any anticipated losses. Cost includes costs of acquisition and development including directly attributable fees, expenses and finance charges, less any related income. Properties are treated as acquired on completion of contracts with the vendors.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.8 Recognition of profit on work in progress

Gross profit on developments is attributed to the individual units sold on the basis of the work fairly attributable to the unit taking into account all costs to complete. No profit is recognised until completion of contract occurs.

2. OTHER OPERATING INCOME

	2016 £	2015 £
Rents receivable	<u>246,781</u>	<u>257,747</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	2,729	2,729
Auditors' remuneration	<u>6,000</u>	<u>5,971</u>

During the year, no director received any emoluments (2015: £nil).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
On bank loans and overdrafts	<u>56,608</u>	<u>63,786</u>

5. TAXATION

	2016 £	2015 £
UK corporation tax charge on profit for the year	<u>30,023</u>	<u>13,943</u>

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost	
At 1 April 2015 and 31 March 2016	<u>13,646</u>
Depreciation	
At 1 April 2015	9,798
Charge for the year	<u>2,729</u>
At 31 March 2016	<u>12,527</u>
Net book value	
At 31 March 2016	<u><u>1,119</u></u>
At 31 March 2015	<u><u>3,848</u></u>

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2015 and 31 March 2016	<u>1</u>
Net book value	
At 31 March 2016	<u><u>1</u></u>
At 31 March 2015	<u><u>1</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Warwick Brewery Management Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2016 and of 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) £
Warwick Brewery Management Limited	<u><u>1</u></u>	<u><u>-</u></u>

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

8. STOCKS

	2016 £	2015 £
Development property	<u>1,894,087</u>	<u>2,683,485</u>

9. DEBTORS

	2016 £	2015 £
Trade debtors	15,973	19,597
Amounts owed by group undertakings	5,002,616	4,600,838
Other debtors	274,294	344,954
	<u>5,292,883</u>	<u>4,965,389</u>

10. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	270,000	289,062
Trade creditors	26,928	16,141
Amounts owed to group undertakings	2,260,431	2,195,035
Corporation tax	43,966	13,943
Other taxation and social security	1,047	36
Other creditors	6,216,746	6,346,362
	<u>8,819,118</u>	<u>8,860,579</u>

11. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	<u>1,408,693</u>	<u>1,710,198</u>

Included within the above are amounts falling due as follows:

	2016 £	2015 £
Between one and two years		
Bank loans	<u>1,408,693</u>	<u>1,710,198</u>

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. CREDITORS:

Amounts falling due after more than one year (continued)

The bank loans and overdrafts are secured by a first legal charge over the development property of the company and a floating charge over the assets of the company.

At 31 March 2016, the contingent liability, for which the company is jointly and severally liable, in respect of the intercompany unlimited cross guarantees amount to £6,895,169 (2015: £7,335,320). There are cross guarantees between the following companies, of which G A Lee is a director:

Kerrington Developments Limited, Kerrington Property Services Limited, Eldington Holdings Limited, Kerrington (Newcastle) Limited, Kerrington (Grove Lodge) Limited, Fletchergate Limited, Kerrington Limited, Vista Estates Limited, Fletcher Gate Limited, Hilby Limited and Newark Property Development Limited.

12. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>

13. RESERVES

	Profit and loss account £
At 1 April 2015	(2,918,058)
Profit for the financial year	<u>352,720</u>
At 31 March 2016	<u>(2,565,338)</u>

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in accordance with FRSSSE section 15.7(d) not to disclose transactions entered into between two or more members of a group, as every party to the transactions is a wholly owned by a member of the group.

At the year end, the following balances were included in debtors:

Kerrington Property Services Limited - £nil (2015: £10,000)
Newark Property Developments Limited - £1,334,297 (2015: £980,618)
Eldington Holdings Limited - £nil (2015: £250,000)
Sentinal Properties Limited - £nil (2015: £2,400)
Nisacrown Limited - £400,000 (2015: £20,000)
Vista Estates Limited - £nil (2015: £69,500)
Finchley Road Properties Limited - £3,264,891 (2015: £3,264,891)

At the year end, the following balances were included in creditors:

Pathfinder Recovery 1 Limited - £1,100 (2015: £1,100)
Kerrington Limited - £670,139 (2015: £650,768)
Islandpost Limited - £549,191 (2015: £549,191)
Merchant City - £3,600 (2015: £3,600)
Hilby Limited - £27,000 (2015: £27,000)
Kerrington Developments Limited - £911,001 (2015: £963,376)
Plainrise Limited - £98,400 (2015: £nil)

G A Lee is a director of the above mentioned companies.

At the year end £12,550 (2015: £212,550) was owed by A. R. & V. Investments Limited and £1,249,998 (2015: £1,249,998) was owed to Central Estates Limited, companies in which E Azouz and J Azouz are directors.

At the year end £2,326,184 (2015: £2,520,423) was owed to G A Lee and £2,326,184 (2015: £2,520,423) was owed to E Azouz and J Azouz, directors of the company.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is jointly owned by Kerrington Limited and Central Estates Limited. These companies are registered in England and Wales. G A Lee is a director of Kerrington Limited and E Azouz and J Azouz are directors of Central Estates Limited.

The ultimate controlling party is the directors.