

Registered number: 04144438

FLETCHER GATE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

THURSDAY



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COMPANIES HOUSE

FLETCHER GATE LIMITED

COMPANY INFORMATION

DIRECTORS	G Lee P Rowe
COMPANY SECRETARY	E Elliott
REGISTERED NUMBER	04144438
REGISTERED OFFICE	Grove Lodge 287 Regents Park Road London N3 3JY
INDEPENDENT AUDITORS	SRLV Chartered Accountants 89 New Bond Street London W1S 1DA
BANKERS	Royal Bank of Scotland 1 Dale Street Liverpool L2 2PP
SOLICITORS	Howard Kennedy 19 Cavendish Square London W1A 2AW

FLETCHER GATE LIMITED

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FLETCHER GATE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

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 Lee
P Rowe

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 24 December 2015 and signed on its behalf.



E Elliott
Secretary

FLETCHER GATE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

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 2015, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2015 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.

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.

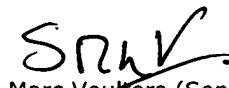
FLETCHER GATE LIMITED

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.


Marc Vouters (Senior statutory auditor)
for and on behalf of
SRLV

24th December 2015

Chartered Accountants
Statutory Auditor

89 New Bond Street
London
W1S 1DA

FLETCHER GATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER	1,2	601,300	-
Cost of sales		(570,524)	-
GROSS PROFIT		30,776	-
Administrative expenses		(85,076)	(117,592)
Other operating income	3	257,747	287,661
OPERATING PROFIT	4	203,447	170,069
Interest payable and similar charges	6	(63,786)	(115,414)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		139,661	54,655
Tax on profit on ordinary activities	7	(13,943)	(4,035)
PROFIT FOR THE FINANCIAL YEAR	15	125,718	50,620

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.


The notes on pages 7 to 13 form part of these financial statements.

FLETCHER GATE LIMITED
REGISTERED NUMBER: 04144438

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	8		3,848		6,577
Investments	9		1		1
			<u>3,849</u>		<u>6,578</u>
CURRENT ASSETS					
Stocks	10	2,683,485		3,200,182	
Debtors	11	4,965,996		4,372,535	
Cash at bank		-		1,411	
		<u>7,649,481</u>		<u>7,574,128</u>	
CREDITORS: amounts falling due within one year	12	<u>(8,861,186)</u>		<u>(8,914,280)</u>	
NET CURRENT LIABILITIES			<u>(1,211,705)</u>		<u>(1,340,152)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,207,856)</u>		<u>(1,333,574)</u>
CREDITORS: amounts falling due after more than one year	13		<u>(1,710,198)</u>		<u>(1,710,198)</u>
NET LIABILITIES			<u><u>(2,918,054)</u></u>		<u><u>(3,043,772)</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		4		4
Profit and loss account	15		<u>(2,918,058)</u>		<u>(3,043,776)</u>
SHAREHOLDERS' DEFICIT	16		<u><u>(2,918,054)</u></u>		<u><u>(3,043,772)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 December 2015.


G Lee
 Director

The notes on pages 7 to 13 form part of these financial statements.

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 applicable accounting standards.

The accounts have been prepared on a going concern basis as the parent company, Kerrington Limited, has confirmed its intention to provide financial support for the foreseeable future and for at least the next 12 months to enable the company to continue in operation without any significant curtailment in activity and to meet its liabilities as they fall due.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

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

1.3 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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1.4 Investments

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

1.5 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.

1.6 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 2015

1. ACCOUNTING POLICIES (continued)

1.7 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. TURNOVER

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2015 £	2014 £
Rents receivable	<u>257,747</u>	<u>287,661</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	2,729	2,729
Auditors' remuneration	<u>5,971</u>	<u>4,000</u>

During the year, no director received any emoluments (2014 - £NIL).

5. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	13,203	8,625
Social security costs	1,249	791
	<u>14,452</u>	<u>9,416</u>

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

	2015 No.	2014 No.
Directors	3	3
Admin	1	1
	<u>4</u>	<u>4</u>

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

6. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	63,786	115,414

7. TAXATION

	2015 £	2014 £
UK corporation tax charge on profit for the year	13,943	4,035

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 21% (2014 - 20%) as set out below:

	2015 £	2014 £
Profit on ordinary activities before tax	139,661	54,655
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 20%)	29,329	10,931
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,415	34
Capital allowances for year in excess of depreciation	-	546
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(5,140)	(3,441)
Group relief	(14,088)	(4,035)
Marginal relief	427	-
Current tax charge for the year (see note above)	13,943	4,035

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost	
At 1 April 2014 and 31 March 2015	13,646
Depreciation	
At 1 April 2014	7,069
Charge for the year	2,729
At 31 March 2015	9,798
Net book value	
At 31 March 2015	3,848
At 31 March 2014	6,577

9. FIXED ASSET INVESTMENTS

	Investment in subsidiary company £
Cost or valuation	
At 1 April 2014 and 31 March 2015	1
Net book value	
At 31 March 2015	1
At 31 March 2014	1

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

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

Name	Business	Registered office
Warwick Brewery Management Limited	Property management company	England

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

9. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at 31 March 2015 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	1	-

10. STOCKS

	2015 £	2014 £
Developed property for resale	2,683,485	3,200,182

11. DEBTORS

	2015 £	2014 £
Trade debtors	19,597	11,212
Amounts owed by group undertakings	4,597,410	4,016,178
Other debtors	338,332	334,488
Prepayments and accrued income	10,657	10,657
	4,965,996	4,372,535

12. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	289,062	270,000
Trade creditors	16,141	80,604
Amounts owed to group undertakings	2,195,035	2,226,988
Corporation tax	17,978	4,035
Other taxation and social security	36	432
Other creditors	6,335,271	6,329,117
Accruals and deferred income	7,663	3,104
	8,861,186	8,914,280

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

13. CREDITORS:

Amounts falling due after more than one year

	2015 £	2014 £
Bank loans	<u>1,710,198</u>	<u>1,710,198</u>

Included within the above are amounts falling due as follows:

	2015 £	2014 £
Between one and two years		
Bank loans	<u>1,710,198</u>	<u>1,710,198</u>

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.

There are cross guarantees between the following companies:

Kerrington Developments Limited, Kerrington Property Services Limited, Eldington Holdings Limited, Kerrington (Newcastle) Limited, Kerrington Growth Limited, Kerrington (Grove Lodge) Limited, Fletchergate Limited, Kerrington Limited, Vista Estates Limited, Fletcher Gate Limited, Hilby Limited and Newark Property Development Limited. G Lee is a director of the above mentioned companies.

At 31 March 2015, the contingent liability, for which the company is jointly and severally liable, in respect of the intercompany unlimited cross guarantees amount to £7,335,320 (2014: £8,695,089).

14. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>

15. RESERVES

	Profit and loss account £
At 1 April 2014	(3,043,776)
Profit for the financial year	125,718
At 31 March 2015	<u>(2,918,058)</u>

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2015 £	2014 £
Opening shareholders' deficit	(3,043,772)	(3,094,392)
Profit for the financial year	125,718	50,620
Closing shareholders' deficit	<u>(2,918,054)</u>	<u>(3,043,772)</u>

17. CONTROLLING PARTY

The company is jointly owned by Kerrington Limited and Central Estates Limited. G 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.

18. RELATED PARTY TRANSACTIONS

At the balance sheet date included in amounts owed by group undertakings Finchley Road Properties Limited owed £3,264,892 (2014: £3,264,892), Nisacrown Limited owed £20,000 (2014: £20,000), Eldington Limited owed £250,000 (2014: £250,000), Kerrington Property Services Limited owed £10,000 (2014: £10,000), Sentinal Properties Limited owed £2,400 (2014: £2,400) and Newark Property Developments Limited owed £980,618 (2014: £399,386), companies in which G Lee and E Azouz are directors.

As at the year end, included in creditors is a balance of £2,520,423 (2014: £2,520,423) due to G Lee, a director of the company and £2,520,423 (2014: £2,520,423) due to E Azouz and J Azouz, who are directors of Central Estates Limited, the company that owns 50% of the issued share capital of the company. .

As at the year end, included in amounts owed to group undertakings, Pathfinder Recovery 1 Limited was owed £1,100 (2014: £1,100), Islandpost Limited was owed £549,191 (2014: £549,191), Kerrington Limited was owed £650,768 (2014: £670,721), Merchant City Limited was owed £3,600 (2014: £3,600), Hilby Limited was owed £27,000 (2014: £27,000) and Kerrington Development Limited was owed £963,376 (2014: £975,376), companies in which G Lee is a director.

As at the year end, an amount of £1,249,998 (2014: £1,249,998) was owed to Central Estates Limited, a 50% shareholder company.

As at the year end £212,550 (2014: £212,550) was owed by A R & V Investments Limited. E Azouz and J Azouz are directors of Central Estates Limited, A R & V Investments Limited, Newark Property Development Limited and Islandpost Limited.