

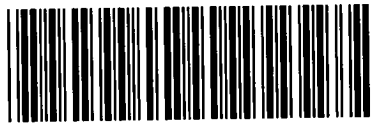
FLETCHER GATE LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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COMPANIES HOUSE

FLETCHER GATE LIMITED
REGISTERED NUMBER:04144438

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	4		-		-
Investments	5		<u>1</u>		<u>1</u>
			<u>1</u>		<u>1</u>
Current assets					
Stocks	6	315,298		817,641	
Debtors: amounts falling due within one year	7	<u>6,724,365</u>		<u>6,026,173</u>	
		<u>7,039,663</u>		<u>6,843,814</u>	
Creditors: amounts falling due within one year	8	<u>(7,354,544)</u>		<u>(7,527,789)</u>	
Net current liabilities			<u>(314,881)</u>		<u>(683,975)</u>
Total assets less current liabilities			<u>(314,880)</u>		<u>(683,974)</u>
Net liabilities			<u>(314,880)</u>		<u>(683,974)</u>
Capital and reserves					
Called up share capital	9		4		4
Profit and loss account			<u>(314,884)</u>		<u>(683,978)</u>
			<u>(314,880)</u>		<u>(683,974)</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 on

20 DEC 2019

G A Lee
Director

The notes on pages 2 to 7 form part of these financial statements.

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Fletcher Gate Limited is principally engaged in property development.

The company is a private company limited by shares and is registered in England and Wales. The address of its registered office and principal place of business is Grove Lodge, 287 Regents Park Road, London, N3 3JY.

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 company's functional and presentational currency is pound sterling.

The following principal accounting policies have been applied:

2.2 Going concern

The parent companies have committed to continue 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.

2.3 Turnover

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

2.4 Other income

Other income recognised in the statement of comprehensive income in the prior year, related to a land venture agreement with a fellow group company. The income was recognised upon disposal of the land, on the date which contracts were exchanged.

2.5 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.

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 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 balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Fixtures and fittings	- 20% straight line
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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 statement of comprehensive income.

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks of development property 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 an actual basis.

At each balance sheet 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 the statement of comprehensive income.

2.10 Debtors

Short term debtors are measured at transaction price, 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.

2.12 Creditors

Short term creditors are measured at the transaction price.

2.13 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and amounts owed to and from related parties.

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.

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 the statement of comprehensive income.

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 company would receive for the asset if it were to be sold at the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2018 - 4).

FLETCHER GATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2018	13,646
At 31 March 2019	13,646
Depreciation	
At 1 April 2018	13,646
At 31 March 2019	13,646
Net book value	
At 31 March 2019	-
At 31 March 2018	-

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2018	1
At 31 March 2019	1

6. Stocks

	2019 £	2018 £
Development property	315,298	817,641

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. Debtors

	2019 £	2018 £
Trade debtors	11,975	38,744
Amounts owed by group undertakings	6,696,218	5,944,437
Other debtors	12,270	39,378
Prepayments and accrued income	3,902	3,614
	<u>6,724,365</u>	<u>6,026,173</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	1,172	9,959
Joint venture loan	179,250	933,000
Trade creditors	56,906	34,062
Amounts owed to group undertakings	2,515,223	2,247,663
Corporation tax	7,119	7,119
Other taxation and social security	345	817
Other creditors	4,592,086	4,295,169
Accruals and deferred income	2,443	-
	<u>7,354,544</u>	<u>7,527,789</u>

At 31 March 2019, the contingent liability, for which the company is jointly and severally liable, in respect of the intercompany unlimited cross guarantees amounted to £8,907,714 (2018 - £8,468,876). 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 Growth Limited, Kerrington (Grove Lodge) Limited, Kerrington Limited, Vista Estates Limited, Fletcher Gate Limited and Hilby Limited.

FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
4 (2018 - 4) ordinary shares of £1 each	<u>4</u>	<u>4</u>

There is one class of share. There are no restrictions on the distribution of dividends and the repayment of capital.

10. Related party transactions

During the year, the company was charged £4,769 (2018 - £60,598) by Eldington Holdings Limited, the ultimate parent company, in respect of bank loan arrangement fees and bank loan interest. During the year, the company paid expenses of £622,260 (2018 - £1,144,580). At the year end, the company was owed £1,686,594 (2018 - £1,069,103) by Eldington Holdings Limited.

At the year end, £149,998 (2018 - £149,998) was owed to Central Estates Limited, a company in which the directors E Azouz and J Azouz are also directors. The loan amounts are interest free and repayable on demand.

At the year end, the company owed £2,167,577 (2018 - £2,197,671) to G A Lee, a director of the company. The loan is interest free and repayable on demand.

At the year end, the company owed £958,359 (2018 - £958,359) to J Azouz, a director of the company. The loan is interest free and repayable on demand.

At the year end, the company owed £958,359 (2018 - £958,359) to E Azouz, a family member of a director. The loan is interest free and repayable on demand.

During the year, the company received a loan of £NIL (2018 - £33,000) from Kerrington Limited, a 50% shareholder and repaid £933,000 (2018 - £Nil) of the loan to Kerrington Limited. At the year end, the company owed £NIL (2018 - £933,000) to Kerrington Limited. The loan is repayable within one year and the effective interest rate is 3%.

During the year, the company earned a profit share of £NIL (2018 - £1,100,000) from the sale of a property in Nisacrown Limited, a company under common control. During the year, the company received £NIL (2018 - £1,100,000) from Nisacrown Limited and incurred expenses of £50,000 (2018 - £521,100) on behalf of the company. At the year end, the company owed £571,100 (2018 - £521,100) to Nisacrown Limited.

The parent of the smallest group, of which the company is a member and for which group accounts are prepared, is Kerrington Limited. Its registered office is Grove Lodge, 287 Regents Park Road, Finchley, London, N3 3JY.

11. Auditors' information

The audit report provided to the members of Fletcher Gate Limited on the financial statements for the year ended 31 March 2019 was not qualified.

The audit report was signed by Marc Voulters (Senior Statutory Auditor) for and on behalf of SRLV Audit Limited, Chartered Accountants and Statutory Auditor.