COMPANY REGISTRATION NUMBER: 4258864

Enfranchise 421 Limited

Financial Statements

31 December 2020

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COMPANIES HOUSE

BARNES ROFFE LLP

Chartered Accountants & Statutory Auditor

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Enfranchise 421 Limited

Officers and Professional Advisers

The board of directors	B Choudhrie D Choudhrie
Company secretary	S Pudaruth
Registered office	23 Buckingham Gate London SW1E 6LB
Auditor	BARNES ROFFE LLP Chartered Accountants & Statutory Auditor 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX
Bankers	Metro Bank PLC One Southampton Row London WC1B 5HA

Enfranchise 421 Limited

Directors' Report

Year ended 31 December 2020

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

Directors

The directors who served the company during the year were as follows:

B Choudhrie
D Choudhrie

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 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 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;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Enfranchise 421 Limited

Directors' Report *(continued)*

Year ended 31 December 2020

This report was approved by the board of directors on 1 December 2021 and signed on behalf of the board by:

B Choudhrie
Director

Registered office:
23 Buckingham Gate
London
SW1E 6LB

Enfranchise 421 Limited

Independent Auditor's Report to the Members of Enfranchise 421 Limited

Year ended 31 December 2020

Opinion

We have audited the financial statements of Enfranchise 421 Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, 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 FRS 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 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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 UK, including the FRC'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions 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.

Matters on which we are required to report by exception

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.

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

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, 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.

Auditor's 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the parent company, are as follows:

o Companies Act 2006
o FRS 102
o Tax legislation

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing supporting evidence where applicable;
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit; and
- Where component auditors were used for group companies, we ensured that the laws and regulations were considered as part of their risk assessment procedures and where applicable, instances of non-compliance to be communicated back to us.

We assessed the susceptibility of the company and the parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;

- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates, were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business.

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditors' report.

Use of our report

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.

Mark Hancock (Senior Statutory Auditor)

For and on behalf of
BARNES ROFFE LLP
Chartered Accountants & Statutory Auditor
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

1 December 2021

Enfranchise 421 Limited

Statement of Income and Retained Earnings

Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	5	**894,371**	862,221
Cost of sales		**172,785**	120,744
Gross profit		**721,586**	741,477
Administrative expenses		**174,890**	835,669
Other operating income	6	**5,717**	7,026
Operating profit/(loss)	7	**552,413**	(87,166)
Other interest receivable and similar income	9	**159**	359
Interest payable and similar expenses	10	**247,110**	324,123
Profit/(loss) before taxation		**305,462**	(410,930)
Tax on profit/(loss)		**(598,150)**	(106,744)
Profit/(loss) for the financial year and total comprehensive income		**903,612**	(304,186)
Retained earnings at the start of the year		**5,565,782**	5,869,968
Retained earnings at the end of the year		**6,469,394**	5,565,782

All the activities of the company are from continuing operations.

The notes on pages 11 to 17 form part of these financial statements.

Enfranchise 421 Limited

Statement of Financial Position

31 December 2020

	Note	2020 £	2020 £	2019 £
Fixed assets				
Tangible assets	11		**14,426,955**	14,588,478
Current assets				
Debtors	12	**2,131,617**		1,952,944
Cash at bank and in hand		**997,321**		695,934
		3,128,938		2,648,878
Creditors: amounts falling due within one year	14	**1,288,059**		1,146,370
Net current assets			**1,840,879**	1,502,508
Total assets less current liabilities			**16,267,834**	16,090,986
Creditors: amounts falling due after more than one year	15		**9,587,500**	9,587,500
Provisions				
Taxation including deferred tax			**210,939**	937,703
Net assets			**6,469,395**	5,565,783
Capital and reserves				
Called up share capital	17		**1**	1
Profit and loss account	18		**6,469,394**	5,565,782
Shareholders funds			**6,469,395**	5,565,783

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 1 December 2021, and are signed on behalf of the board by:

B Choudhrie
Director

Company registration number: 4258864

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 23 Buckingham Gate, London, SW1E 6LB.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

3. Business review

Enfranchise 421 Limited is a company Limited by shares , incorporated in England & Wales. The principal activity of the company during the year was that of property investment.

4. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have assessed the company's ability to continue to adopt the going concern basis of accounting. The directors of the company are of the opinion that the company will continue to generate sufficient rental income and will also have the support of its parent undertaking for at least another 12 month from the date of signing the accounts and therefore make it appropriate to prepare the financial statement on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for rent and services charge, stated net of discounts and of Value Added Tax.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

4. Accounting policies *(continued)*

Corporation tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	10% straight line

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

4. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

5. Turnover

Turnover arises from:

	2020	2019
	£	£
Rental Income	**894,371**	862,221

5. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

6. Other operating income

	2020	2019
	£	£
Other operating income	5,717	7,026

7. Operating profit

Operating profit or loss is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	161,523	161,522
Fair value adjustments to investment property	–	562,821

8. Employee numbers

The average number of persons employed by the company during the year amounted to 3 (2019: 3).

9. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	159	359

10. Interest payable and similar expenses

	2020	2019
	£	£
Other interest payable and similar charges	247,110	324,123

11. Tangible assets

	Investment Property £	Fixtures and fittings £	**Total £**
Cost			
At 1 January 2020 and 31 December 2020	13,437,179	1,615,230	**15,052,409**
Depreciation			
At 1 January 2020	–	463,931	**463,931**
Charge for the year	–	161,523	**161,523**
At 31 December 2020	–	625,454	**625,454**
Carrying amount			
At 31 December 2020	13,437,179	989,776	**14,426,955**
At 31 December 2019	13,437,179	1,151,299	14,588,478

In November 2018 a revaluation of investment property was carried out by Deutsche bank (Suisse) S.A and the market value of the property was £14,750,000, hence an adjustment of £562,821 was made to the book value to reflect the fair value of investment property.

The Directors of the company used Deutsche Bank (Suisse) valuation as a base and also assessed the market value at the balance sheet date, In the opinion of the directors there has been no material change in the valuation and the carrying value is considered appropriate.

Investment Property also includes an element of fixtures and fittings with a limited useful life therefore these assets have been depreciated.

12. Debtors

	2020 £	2019 £
Trade debtors	**751,924**	535,498
Other debtors	**1,379,693**	1,417,446
	2,131,617	1,952,944

Included in other debtors there is a sum of £1,219,109 (2019: £1,219,108) due from C&C Alpha Group Limited and £124,235 (2019: £124,235) from Shanti Hospitality Group Limited.

Included in trade debtors there is a sum of £570,293 (2019: £405,901) due from C&C Alpha Group Limited, £24,288 (2019: £53,413) due from Shanti Hospitality Group Limited and £87,626 (2019: £47,214) due from K&Co London Limited, all companies are under common directorship.

13. Cash and cash equivalents

The bank balance includes a sum of £57,746 (2019: £47,532) that relates to rent deposit to tenants and which will require repayment on termination of their lease.

14. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	**3,965**	19,781
Corporation tax	**80,554**	–
Social security and other taxes	**79,242**	38,933
Other creditors	**875,040**	867,441
Client Service Charge funds	**40,400**	8,076
Other creditors	**208,858**	212,139
	1,288,059	1,146,370

Included in other creditors at the balance sheet date is an amount of £598,933 (2019 : £581,188) due to a company under common control.

15. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	**9,587,500**	9,587,500

The company has entered into a loan arrangement with Deutsche Bank (Suisse) SA. The loan is for a term of 5 years and is secured against the investment property, 23 Buckingham Gate, and all other assets of the company as set out in the debenture of 14 February 2019.

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions	**210,939**	937,703

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Fair value adjustment of investment property	**726,764**	(106,936)

17. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	**1**	**1**	1	1

18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Profit and loss account includes a non-distributable gain of £5.57 million (2019: £5.57 million) on revaluation of investment property.

19. Related party transactions

On the 25 May 2017, Enfranchise 421 Limited entered into a lease agreement with C&C Alpha Group Limited, Shanti Hospitality Group Limited and K&Co London Limited in relation to office at 23 Buckingham Gate, SW1E 6LB. The terms of the lease is for 10 years with a break date of 5 April 2022.

During the year under review, Enfranchise 421 Ltd charged rental invoices in the amount of £366,196 (2019: £508,808) to C&C Alpha Group Ltd and £80,960 (2019: £80,960) to Shanti Hospitality Group Ltd and £28,925 (2019: £28,925) to K&Co London Limited.

Included in trade debtors is an amount of £570,293 (2019: £405,901) due from C&C Alpha Group Ltd and £24,288 (2019: £53,413) due from Shanti Hospitality Ltd and £87,626 (2019: £47,214) due from K&Co London Ltd, all companies are under common directorship.

20. Controlling party

There was no one controlling party during the period under review.

In the opinion of the directors, the ultimate holding company is Sunbreeze Holdings Limited, a company incorporated in the British Virgin Islands.