

Registered number: 04393349

FARO PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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FARO PROPERTY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr I Torrens Mr A S Aldridge Mr K Y Kanani
Registered number	04393349
Registered office	39 Sloane Street Knightsbridge London SW1X 9LP
Independent auditors	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA

FARO PROPERTY HOLDINGS LIMITED

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FARO PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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 may differ from legislation in other jurisdictions.

Principal activity

The principal activity of the company was that of an intermediate holding company for the group.

Directors

The directors who served during the year were:

Mr I Torrens
Mr A S Aldridge
Mr K Y Kanani (appointed 8 June 2020)

FARO PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.


Auditors

The auditors, Nexia Smith & Williamson, 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 14 OCTOBER 2021 and signed on its behalf.



Mr K Y Kanani
Director

FARO PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARO PROPERTY HOLDINGS LIMITED

Opinion

We have audited the financial statements of FARO Property Holdings Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income and statement of financial position and the notes to the financial statements, including 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 March 2021 and of its loss 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 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.

Emphasis of matter - going concern

We draw attention to note 2.2 which details that the company has reported a loss for the year of £801,869 and has net assets of £765,193 at 31 March 2021, but is reliant on the going support of its intermediate parent company, Faro Capital Limited. Our opinion is not modified in respect of this matter.

FARO PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARO PROPERTY HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Directors' report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' report and financial statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 have 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' exemption 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 set out 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.

FARO PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARO PROPERTY HOLDINGS LIMITED (CONTINUED)

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 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.

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:

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through incorrect allocation of expenses relating to investment properties through invoices and manual journals. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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.

FARO PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARO PROPERTY HOLDINGS LIMITED
(CONTINUED)

Nexia Smith & Williamson

Carl Deane (Senior Statutory Auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants
Statutory Auditors

Portwall Place
Portwall Lane
Bristol

BS1 6NA
Date: 20 October 2021

FARO PROPERTY HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Turnover	-	8,806
Cost of sales	2,957	-
Gross profit	2,957	8,806
Administrative expenses	(119,668)	(10,234)
Operating loss	(116,711)	(1,428)
Amounts written off investments	356,871	(19,161,366)
Interest payable and similar expenses	(1,042,029)	-
Loss before tax	(801,869)	(19,162,794)
Loss for the financial year	(801,869)	(19,162,794)
Other comprehensive income for the year		
Capital contribution from parent company	-	20,600,000
Other comprehensive income for the year	-	20,600,000
Total comprehensive income for the year	(801,869)	1,437,206

The notes on pages 9 to 12 form part of these financial statements.

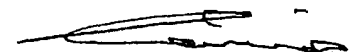
FARO PROPERTY HOLDINGS LIMITED
REGISTERED NUMBER: 04393349

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Fixed asset investments	4	46,869,642	46,512,771
		<u>46,869,642</u>	<u>46,512,771</u>
Current assets			
Debtors: amounts falling due within one year	5	3,561,502	-
Cash at bank and in hand	6	237,300	2,033,025
		<u>3,798,802</u>	<u>2,033,025</u>
Creditors: amounts falling due within one year	7	(49,903,251)	(46,978,733)
Net current liabilities		<u>(46,104,449)</u>	<u>(44,945,708)</u>
Total assets less current liabilities		<u>765,193</u>	<u>1,567,063</u>
Net assets		<u><u>765,193</u></u>	<u><u>1,567,063</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		765,192	1,567,062
		<u>765,193</u>	<u>1,567,063</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 14 OCTOBER 2021



Mr K Y Kanani
Director

The notes on pages 9 to 12 form part of these financial statements.

FARO PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The company is a private company limited by shares and incorporated in England. Its principal activity is to act as an intermediate holding company, and its principal place of business is 39 Sloane Street, London.

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.

Whilst the company is a parent undertaking, it is exempt from preparing consolidated accounts, as these are prepared by its ultimate parent undertaking, IPGL (Holdings) Limited, and are available from Companies House.

The following principal accounting policies have been applied:

2.2 Going concern

The company has reported a loss for the year of £801,869 and whilst it has net assets of £765,193, it continues to be reliant on the support of its intermediate parent company, Faro Capital Limited, to allow it to meet its liabilities as they fall due for the next 12 months. Such support will include not recalling inter-company debts which are technically repayable on demand, and providing additional funding to allow the company to meet its liabilities as they fall due.

As the intermediate parent company, Faro Capital Limited, has provided written confirmation of ongoing financial support to the directors, and there has also been written confirmation of support from IPGL Limited to Faro Capital Limited, the directors are satisfied that there are appropriate grounds for preparing the accounts on the going concern basis.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 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.

2.5 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

FARO PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

2.7 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.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

3. Employees

Employment costs are recharged from another group company.

The average monthly number of employees, including directors, during the year was 0 (2020 - 0).

FARO PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	65,674,137
At 31 March 2021	<u>65,674,137</u>
Impairment	
At 1 April 2020	19,161,366
Charge for the period	(356,871)
At 31 March 2021	<u>18,804,495</u>
Net book value	
At 31 March 2021	<u><u>46,869,642</u></u>
At 31 March 2020	<u><u>46,512,771</u></u>

5. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	3,319,415	-
Prepayments and accrued income	242,087	-
	<u><u>3,561,502</u></u>	<u><u>-</u></u>

FARO PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	237,300	2,033,025
Less: bank overdrafts	(25,149,208)	(27,113,359)
	<u>(24,911,908)</u>	<u>(25,080,334)</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	25,149,208	27,113,359
Trade creditors	70,741	-
Amounts owed to group undertakings	24,302,149	19,855,774
Other taxation and social security	70,547	-
Accruals and deferred income	310,606	9,600
	<u>49,903,251</u>	<u>46,978,733</u>

The company's bank overdraft is secured on certain investment properties held by the company's subsidiaries.

8. Parent companies and controlling party

The immediate parent undertaking is Faro Capital Limited and the ultimate parent company, and the only one to prepare consolidated accounts, is IPGL (Holdings) Limited, both companies incorporated in England. Copies of the consolidated accounts are available at Companies House.

Mr M A Spencer is considered to be the ultimate controlling party by virtue of his shareholding in IPGL (Holdings) Limited.