

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020
FOR
FRED 251 LIMITED



FRED 251 LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2020

DIRECTORS:

G Cipriani
G Caslini
M Ferruzzi

REGISTERED OFFICE:

10 London Mews
London
W2 1HY

REGISTERED NUMBER:

04837583 (England and Wales)

AUDITORS:

Stein Richards
Chartered Accountants and Statutory Auditor
10 London Mews
Paddington
London
W2 1HY

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2020

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2020 to the date of this report.

G Cipriani
M Ferruzzi

Other changes in directors holding office are as follows:

G Caslini - appointed 10th March 2020
G D'Avanzo - resigned 10th March 2020

EVENTS AFTER THE YEAR END

The Covid-19 pandemic is ongoing after the year ended 31 December 2020 with another UK lockdown enforced from 4 January 2021. The impact of the continuing pandemic on the business is uncertain but the company has sufficient resources available to mitigate any risk to the going concern of the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 and then apply them consistently;
- make judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

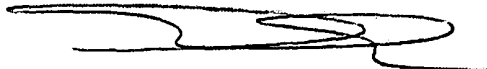
The auditors, Stein Richards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

FRED 251 LIMITED (REGISTERED NUMBER: 04837583)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2020

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'G Cipriani', written over a horizontal line.

G Cipriani - Director

26th November 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FRED 251 LIMITED

Opinion

We have audited the financial statements of Fred 251 Limited (the 'company') for the year ended 31st December 2020 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FRED 251 LIMITED**

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 Report of the Directors.

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 Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FRED 251 LIMITED

Auditors' 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 a Report of the Auditors 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:

Discussions were held with and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing the outcomes of these enquiries were discussed, as well as consideration as to where and how fraud may occur in the entity.

It was agreed the laws and regulations considered to have a direct effect on the financial statements include International Reporting Standards, company law and UK tax legislation. It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

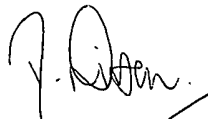
No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with the relevant auditing standards.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Robert Nissen F.C.A. (Senior Statutory Auditor)
for and on behalf of Stein Richards
Chartered Accountants and Statutory Auditor
10 London Mews
Paddington
London
W2 1HY



26th November 2021

FRED 251 LIMITED (REGISTERED NUMBER: 04837583)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2020

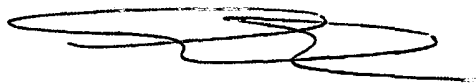
	Notes	31.12.20 £	31.12.19 £
CONTINUING OPERATIONS			
Revenue		274,878	304,322
Other operating income		8,500	-
Administrative expenses		(253,893)	(283,082)
OPERATING PROFIT		29,485	21,240
Finance costs	4	(35,945)	(40,455)
LOSS BEFORE INCOME TAX	5	(6,460)	(19,215)
Income tax	6	-	-
LOSS FOR THE YEAR		(6,460)	(19,215)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(6,460)</u>	<u>(19,215)</u>

The notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2020

	Notes	31.12.20 £	31.12.19 £	1.1.19 £
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7	<u>1,845,836</u>	<u>2,089,186</u>	<u>6,058</u>
CURRENT ASSETS				
Trade and other receivables	8	<u>442,541</u>	510,353	437,343
Cash and cash equivalents	9	<u>41,221</u>	71,652	119,432
Prepayments		<u>-</u>	<u>-</u>	<u>50,695</u>
		<u>483,762</u>	<u>582,005</u>	<u>2,448,422</u>
TOTAL ASSETS		<u>2,329,598</u>	<u>2,671,191</u>	<u>2,454,480</u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	10	100	100	100
Retained earnings	11	<u>130,691</u>	<u>137,151</u>	<u>156,366</u>
TOTAL EQUITY		<u>130,791</u>	<u>137,251</u>	<u>156,466</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings				
Interest bearing loans and borrowings	13	<u>1,598,514</u>	<u>1,833,171</u>	<u>-</u>
CURRENT LIABILITIES				
Trade and other payables	12	<u>276,507</u>	420,314	457,062
Financial liabilities - borrowings				
Interest bearing loans and borrowings	13	<u>323,786</u>	<u>280,455</u>	<u>-</u>
		<u>600,293</u>	<u>700,769</u>	<u>457,062</u>
TOTAL LIABILITIES		<u>2,198,807</u>	<u>2,533,940</u>	<u>457,062</u>
TOTAL EQUITY AND LIABILITIES		<u>2,329,598</u>	<u>2,671,191</u>	<u>613,528</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26th November 2021 and were signed on its behalf by:



G Cipriani - Director

FRED 251 LIMITED (REGISTERED NUMBER: 04837583)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2019	100	156,366	156,466
Changes in equity			
Total comprehensive income	-	(19,215)	(19,215)
Balance at 31st December 2019	100	137,151	137,251
Changes in equity			
Total comprehensive income	-	(6,460)	(6,460)
Balance at 31st December 2020	100	130,691	130,791

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	196,840	205,527
Lease interest paid		<u>(35,945)</u>	<u>(40,455)</u>
Net cash from operating activities		<u>160,895</u>	<u>165,072</u>
 Cash flows from financing activities			
Payment of lease liabilities		<u>(191,326)</u>	<u>(212,852)</u>
Net cash from financing activities		<u>(191,326)</u>	<u>(212,852)</u>
 Decrease in cash and cash equivalents		<u>(30,431)</u>	<u>(47,780)</u>
Cash and cash equivalents at beginning of year	2	<u>71,652</u>	<u>119,432</u>
 Cash and cash equivalents at end of year	2	<u><u>41,221</u></u>	<u><u>71,652</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31.12.20	31.12.19
	£	£
Loss before income tax	(6,460)	(19,215)
Depreciation charges	243,350	243,350
Finance costs	<u>35,945</u>	<u>40,455</u>
	272,835	264,590
Decrease/(increase) in trade and other receivables	67,812	(22,315)
Decrease in trade and other payables	<u>(143,807)</u>	<u>(36,748)</u>
Cash generated from operations	<u>196,840</u>	<u>205,527</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>41,221</u>	<u>71,652</u>

Year ended 31st December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>71,652</u>	<u>119,432</u>

3. MAJOR NON-CASH TRANSACTIONS

As a result of the transition to IFRS on 1 January 2019, it resulted in the recognition of a right-of-use asset and a lease liability as described in note 15.

The total cash outflow for leases amounted to £227,271 during 2020 (2019: £253,307).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. STATUTORY INFORMATION

Fred 251 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The principal activity of the company is the subletting of a commercial property.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Going concern

Although there are uncertainties surrounding the impact of the Covid-19 virus, after reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

First-time adoption of IFRS

These financial statements, for the year ended 31 December 2020, are the first the company has prepared in accordance with International Financial Reporting Standards (IFRS). For periods up to and including the year ended 31 December 2019, the company prepared its financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including the provisions of Section 1A 'Small Entities' and the Companies Act 2006.

Accordingly, the company has prepared financial statements that comply with IFRS applicable as of 31 December 2020, together with the comparative period data for the year ended 31 December 2019. The comparative has therefore been restated and therefore also complies with IFRS.

The date of transition from FRS 102 to IFRS was 1 January 2019. A reconciliation of the transition can be found on pages 19 to 21.

On transition to IFRS the company adopted IFRS 16 which became applicable from 1 January 2019. In accordance with IFRS 16 the company recognised lease liabilities for all contracts that fall within the scope of the standard. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. The incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2%.

Right-of-use assets were measured at the amount equal to the lease liability at the date of initial application (1 January 2019), adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

The right-of-use asset and lease liability recognised at 1 January 2019 were as follows:

Short leasehold property - commercial	£2,326,478
Lease liability	£2,288,770

In recognising this asset and lease liability from 1 January 2019, this required the 2019 comparatives to be restated. All transitional adjustments relating to this are reflected on the reconciliation of equity on pages 19 to 21.

Future accounting changes

IFRSs, amendments and interpretations that have been issued but are not effective until after 31 December 2020 have been reviewed and deemed will not have a material impact on the entity.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue represents net rental income received or receivable, excluding value added tax. This is recognised based on rental invoices raised in accordance with the applicable agreement in place.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter:

Short leasehold property - over the term of the lease

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from the shareholders and third parties.

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 payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Leases

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company leases commercial property. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

- Right-of-use assets

Right-of-use assets are initially measured at:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

After the lease has commenced the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

- Lease liabilities

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the company shall use their incremental borrowing rate.

The company has used its incremental borrowing rate because the interest rate implicit in the lease cannot be readily determined.

To determine the incremental borrowing rate, the company uses the rate it would have to pay to the shareholders for providing the financing.

The initial measurement of the lease liability includes fixed payments, less any lease incentive receivable.

Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers payment occurs.

The lease liability is subsequently remeasured to reflect changes in the lease term (using a revised discount rate). The re-measurements are treated as adjustments to the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The finance cost is included as interest paid in the operating activities section of the statement of cash flows.

- Recognition exemption

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly computer equipment.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31st December 2020 nor for the year ended 31st December 2019.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31.12.20	31.12.19
Directors	<u>3</u>	<u>3</u>
Directors' remuneration	<u>£ -</u>	<u>£ -</u>

4. NET FINANCE COSTS

	31.12.20	31.12.19
Finance costs:	£	£
Leasing	<u>35,945</u>	<u>40,455</u>

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	587	587
Depreciation - assets on finance leases	242,763	242,763
Auditors' remuneration	<u>3,000</u>	<u>4,200</u>

6. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31st December 2020 nor for the year ended 31st December 2019.

7. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold property £
COST	
At 1st January 2020 and 31st December 2020	<u>2,341,144</u>
DEPRECIATION	
At 1st January 2020	251,958
Charge for year	<u>243,350</u>
At 31st December 2020	<u>495,308</u>
NET BOOK VALUE	
At 31st December 2020	<u>1,845,836</u>
At 31st December 2019	<u>2,089,186</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

7. PROPERTY, PLANT AND EQUIPMENT - continued

Included in the totals above, are both owned assets and right of use assets. The totals relating to right of use assets are detailed within note 14.

8. TRADE AND OTHER RECEIVABLES

	31.12.20	31.12.19
	£	£
Current:		
Other debtors	437,343	437,343
Accrued income	5,198	72,023
Prepayments	-	987
	<u>442,541</u>	<u>510,353</u>

9. CASH AND CASH EQUIVALENTS

	31.12.20	31.12.19
	£	£
Bank current account	<u>41,221</u>	<u>71,652</u>

10. CALLED UP SHARE CAPITAL

Allotted and issued:			31.12.20	31.12.19
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

Ordinary shares have full voting rights, rights to dividends and rights to participate in a winding up.

11. RESERVES

	Retained earnings
	£
At 1st January 2020	137,151
Deficit for the year	<u>(6,460)</u>
At 31st December 2020	<u>130,691</u>

Reserves relate to retained earnings and are distributable.

FRED 251 LIMITED (REGISTERED NUMBER: 04837583)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

12. TRADE AND OTHER PAYABLES

	31.12.20 £	31.12.19 £
Current:		
Trade creditors	4,920	10,200
Other creditors	246,187	321,189
Accruals and deferred income	15,242	88,325
VAT	10,158	600
	<u>276,507</u>	<u>420,314</u>

13. FINANCIAL LIABILITIES - BORROWINGS

	31.12.20 £	31.12.19 £
Current:		
Leases (see note 14)	<u>323,786</u>	<u>280,455</u>
Non-current:		
Leases (see note 14)	<u>1,598,514</u>	<u>1,833,171</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Leases	<u>323,786</u>	<u>239,350</u>	<u>747,156</u>	<u>612,008</u>	<u>1,922,300</u>

14. LEASING

Right-of-use assets

Property, plant and equipment

	31.12.20 £	31.12.19 £
COST OR VALUATION		
At 1st January 2020	2,326,478	-
Additions	<u>-</u>	<u>2,326,478</u>
	<u>2,326,478</u>	<u>2,326,478</u>
DEPRECIATION		
At 1st January 2020	242,763	-
Charge for year	<u>242,763</u>	<u>242,763</u>
	<u>485,526</u>	<u>242,763</u>
NET BOOK VALUE	<u>1,840,952</u>	<u>2,083,715</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020****14. LEASING - continued**

On 29 July 2003, the company entered into a lease of a commercial property for 25 years. This has resulted in a right-of-use asset of £2,326,478 being recognised on 1 January 2019, being the date of transition from FRS102 to IFRS and the date IFRS 16 is applicable from. The lease liabilities relate to this right-of-use asset.

Included in administrative expenses on the statement of profit and loss is a depreciation charge on right-of-use asset totalling £242,763 (2019: £242,763).

Lease liabilities

Minimum lease payments fall due as follows:

	31.12.20 £	31.12.19 £
Gross obligations repayable:		
Within one year	355,129	316,400
Between one and five years	1,064,000	1,064,000
In more than five years	620,667	886,667
	<u>2,039,796</u>	<u>2,267,067</u>
Finance charges repayable:		
Within one year	31,343	35,945
Between one and five years	77,494	96,837
In more than five years	8,659	20,659
	<u>117,496</u>	<u>153,441</u>
Net obligations repayable:		
Within one year	323,786	280,455
Between one and five years	986,506	967,163
In more than five years	612,008	866,008
	<u>1,922,300</u>	<u>2,113,626</u>

The lease liability was initially measured at the present value of the lease payments payable over the remaining lease term and has been discounted at an incremental borrowing rate of 2% per annum.

The lease payments have been determined in accordance with the contract which allocates a fixed quarterly payment.

Included as finance costs on the statement of profit and loss is interest on lease liability totalling £35,945 (2019: £40,455).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

15. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets measured at amortised cost		
Trade and other receivables	442,541	510,353
Cash and cash equivalents	41,221	71,652
Financial liabilities measured at amortised cost		
Trade and other payables	276,507	420,314
Financial liabilities measured at fair value		
Borrowings	1,922,300	2,113,626

- Borrowings

Carrying amount is a reasonable approximation of fair value. The fair value of the loans is determined using discounted future cashflow analysis based on an interest rate of 2% per annum.

Principal risks and uncertainties

The company has limited exposure to market risk, credit risk and liquidity risk.

Market risk - interest rate risk

The company has limited exposure to interest rate risk as the company has no interest-bearing assets and liabilities.

Credit risk

There is limited credit risk, evidenced by no trade debtors arising at the year end, with invoices raised being paid in full in a timely manner.

Liquidity risk

The key risk to liquidity is meeting short term cash flow needs. The company regularly monitors its cash position to help mitigate any risk arising.

16. RELATED PARTY DISCLOSURES

As at 31 December 2020 a balance of £350,000 (2019: £350,000) is owed to Fred 251 from an entity holding a participating interest in the company. This is included within other debtors.

During the year loan repayments of £75,000 (2019: £55,000) were made to a company under the same control as Fred 251. As at 31 December 2020, Fred 251 Limited owed the company £66,188 (2019: £141,188) and the balance is included within other creditors.

17. ULTIMATE CONTROLLING PARTY

In both the current and preceding year Reese S.a.r.l. was the immediate parent company and Cipriani Group Holdings S.a.r.l. was the ultimate parent company. Both companies are incorporated in Luxembourg. Mr G Cipriani is the ultimate controlling party. The results of Fred 251 Limited are consolidated within Cipriani Group Holding S.a.r.l.

RECONCILIATION OF EQUITY
1ST JANUARY 2019
(DATE OF TRANSITION TO IFRSS)

	FRS 102	Effect of	
	£	transition	IFRSs
		to IFRSs	£
		£	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	<u>6,058</u>	<u>-</u>	<u>6,058</u>
CURRENT ASSETS			
Trade and other receivables	437,343	-	437,343
Cash and cash equivalents	119,432	-	119,432
Prepayments	<u>50,695</u>	<u>-</u>	<u>50,695</u>
	<u>607,470</u>	<u>-</u>	<u>607,470</u>
TOTAL ASSETS	<u>613,528</u>	<u>-</u>	<u>613,528</u>
SHAREHOLDERS' EQUITY			
Called up share capital	100	-	100
Retained earnings	<u>156,366</u>	<u>-</u>	<u>156,366</u>
TOTAL EQUITY	<u>156,466</u>	<u>-</u>	<u>156,466</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	<u>457,062</u>	<u>-</u>	<u>457,062</u>
TOTAL LIABILITIES	<u>457,062</u>	<u>-</u>	<u>457,062</u>
TOTAL EQUITY AND LIABILITIES	<u>613,528</u>	<u>-</u>	<u>613,528</u>

RECONCILIATION OF EQUITY - continued
31ST DECEMBER 2019

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	<u>5,471</u>	<u>2,083,715</u>	<u>2,089,186</u>
CURRENT ASSETS			
Trade and other receivables	560,107	(49,754)	510,353
Cash and cash equivalents	<u>71,652</u>	<u>-</u>	<u>71,652</u>
	<u>631,759</u>	<u>(49,754)</u>	<u>582,005</u>
TOTAL ASSETS	<u>637,230</u>	<u>2,033,961</u>	<u>2,671,191</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	100	-	100
Retained earnings	<u>155,650</u>	<u>(18,499)</u>	<u>137,151</u>
TOTAL EQUITY	<u>155,750</u>	<u>(18,499)</u>	<u>137,251</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	<u>-</u>	<u>1,833,171</u>	<u>1,833,171</u>
CURRENT LIABILITIES			
Trade and other payables	481,480	(61,166)	420,314
Financial liabilities - borrowings			
Interest bearing loans and borrowings	<u>-</u>	<u>280,455</u>	<u>280,455</u>
	<u>481,480</u>	<u>219,289</u>	<u>700,769</u>
TOTAL LIABILITIES	<u>481,480</u>	<u>2,052,460</u>	<u>2,533,940</u>
TOTAL EQUITY AND LIABILITIES	<u>637,230</u>	<u>2,033,961</u>	<u>2,671,191</u>

Notes to the reconciliation of equity

Following the transition from FRS102 to IFRS on 1 January 2019 adjustments were required to be made to the 2019 comparative totals. The adjustments required are detailed above and were in relation to recognising a right of use asset and lease liability in accordance with IFRS 16.

RECONCILIATION OF LOSS
FOR THE YEAR ENDED 31ST DECEMBER 2019

	FRS 102	Effect of transition to IFRSs	IFRSs
	£	£	£
Revenue	304,322	-	304,322
Administrative expenses	(305,038)	21,956	(283,082)
Finance costs	-	(40,455)	(40,455)
LOSS BEFORE TAX	(716)	(18,499)	(19,215)
LOSS FOR THE YEAR	(716)	(18,499)	(19,215)

The notes form part of these financial statements.