

Company Registration No. 05760390 (England and Wales)

HARLEY SCOTT RESIDENTIAL LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021
PAGES FOR FILING WITH REGISTRAR

HARLEY SCOTT RESIDENTIAL LIMITED

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HARLEY SCOTT RESIDENTIAL LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	6		5,100,000		5,100,000
Current assets					
Debtors	7	258,166		773,881	
Creditors: amounts falling due within one year	8	(3,911,446)		(5,651,463)	
Net current liabilities			(3,653,280)		(4,877,582)
Total assets less current liabilities			1,446,720		222,418
Creditors: amounts falling due after more than one year	9		(3,780,658)		(3,785,552)
Provisions for liabilities			(18,572,401)		(18,572,401)
Net liabilities			(20,906,339)		(22,135,535)
Capital and reserves					
Called up share capital	10		100		100
Profit and loss reserves			(20,906,439)		(22,135,635)
Total equity			(20,906,339)		(22,135,535)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

HARLEY SCOTT RESIDENTIAL LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2021

The financial statements were approved by the board of directors and authorised for issue on 5 May 2022 and are signed on its behalf by:

Mr T S Whittaker

Director

Company Registration No. 05760390

HARLEY SCOTT RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Harley Scott Residential Limited is a private company limited by shares incorporated in England and Wales. The registered office is Group First House, 12a Mead Way, Burnley, BB12 7NG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As explained in the FCA provisions note, the FCA provisions have, since the year end, restructured as part of CVA. As part of the CVA they are fully funded and do not lead to a material uncertainty relating to Going Concern for 12 months from the date of approval of the accounts.

1.3 Turnover

Turnover represents amounts receivable for rents and services.

Revenue is recognised on the commencement of and in accordance with a lease, adjusted for any incentives as required under FRS102.

A property is regarded as sold when significant risks and returns have been transferred to the buyer. For conditional exchanges, sales are recognised as the conditions are satisfied.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	Over 2 years
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HARLEY SCOTT RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	Over 2 years
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1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

HARLEY SCOTT RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

HARLEY SCOTT RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

FCA Provision

As disclosed in previous years, in 2017 the FCA reviewed the activities of the group entities airport car parking investment schemes and took the view that these were collective investment schemes.

Only FCA authorised firms and individuals can operate or promote these schemes.

As a result of discussions with the FCA, the group agreed to stop operating and promoting the original schemes. As part of corrective action agreed with the FCA, the group offered all investors in the schemes the choice of:

1. getting their initial investment back (a 'Buy Back')
2. moving into a new Lifetime Leaseback scheme whereby the investor would be entitled to a 2% coupon on the original investment value for 175 years

As 30 June 2021 the Lifetime Lease provision stood at £11.9m and the Buyback, £6.7m.

The FCA provisions within this entity are owed to another entity with the Group First group which then in turn has the 'external' provision owed to the investor. The other group entities in question are in administration and since the year end a CVA has been voted through to restructure their liabilities, including the FCA provisions. As at the year end the CVA was in its infancy and the provision still fully due, therefore it was concluded that the full provision amount, not the restructured amount should be fully provided.

1.10 CVA Disclosure

This entity is a subsidiary of Group First Global Limited. Several subsidiaries of the group are in administration related to the previous airport car parking schemes. Since the year end a Company Voluntary Agreement (CVA) has been voted through for the entities in administration.

This company has ultimately been part of the airport car parking schemes and therefore has been included in the CVA. The only impact on this entity is to restructure the liabilities owed to group and connected companies.

The group and its controlling parties will be introducing funds by way of debt and realising assets, in addition to the funds raised from the sale of London Luton Airport Car Park' in order to fund the CVA.

1.11 Brexit

The directors have considered the impact of Brexit on the company and have concluded that there are no impacts as a result of Brexit which require disclosure at the balance sheet date.

1.12 Covid-19

The directors have closely monitored the Government guidance in response to the Covid-19 Pandemic and conclude that there are no items resulting from the Covid-19 Pandemic which require disclosure at the balance sheet date.

HARLEY SCOTT RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	-	-

4 Intangible fixed assets

	Other £
Cost	
At 1 July 2020 and 30 June 2021	30,118
Amortisation and impairment	
At 1 July 2020 and 30 June 2021	30,118
Carrying amount	
At 30 June 2021	-
At 30 June 2020	-

HARLEY SCOTT RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 July 2020 and 30 June 2021	1,950
Depreciation and impairment	
At 1 July 2020 and 30 June 2021	1,950
Carrying amount	
At 30 June 2021	-
At 30 June 2020	-

6 Investment property

	2021 £
Fair value	
At 1 July 2020 and 30 June 2021	5,100,000

The fair value of the investment property has been arrived at on the basis of a valuation carried out by the Directors who based their valuation on an informal valuation provided by independent property advisors, who are not connected with the company.

7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	232,220
Other debtors	83,375	24,151
	83,375	256,371
Amounts falling due after more than one year:		
Deferred tax asset	174,791	517,510
Total debtors	258,166	773,881

HARLEY SCOTT RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	433,123
Amounts owed to group undertakings	3,862,472	5,086,266
Taxation and social security	-	5,242
Other creditors	48,974	126,832
	<u>3,911,446</u>	<u>5,651,463</u>

The amounts held in provisions on the balance sheet includes an amount owed to other group companies.

9 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	<u>3,780,658</u>	<u>3,785,552</u>

The long-term loans are secured by a charge over the company's property investment.

Creditors which fall due after five years are as follows:

	2021 £	2020 £
Payable other than by instalments	<u>657,916</u>	<u>659,765</u>

10 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

HARLEY SCOTT RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Related party transactions

During the year there were no related party transactions outside the normal course of business.

12 Parent company

The parent company of Harley Scott Residential Limited is Harley Scott Holdings Limited and its registered office is at Group First House, Meadway Padiham BB12 7NG.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.