

COMPANY REGISTRATION NUMBER: 10001583

VS 203 Limited
Financial Statements
31 March 2020



VS 203 Limited
Financial Statements
Year ended 31 March 2020

Contents	Page
Officers and professional advisers	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report to the member	4
Statement of income and retained earnings	8
Statement of financial position	9
Notes to the financial statements	10

VS 203 Limited

Officers and Professional Advisers

Director	K R Spencer
Company secretary	C Payne
Registered office	45 Westerham Road Bessels Green Sevenoaks Kent United Kingdom TN13 2QB
Auditor	RSM UK Audit LLP Chartered Accountants and statutory Auditor Portland 25 High Street Crawley Sussex RH10 1BG

VS 203 Limited

Director's Report

Year ended 31 March 2020

The director presents his report and the financial statements of the company for the year ended 31 March 2020.

Principal activities

The principal activity of the company during the year was that of a property investment company.

Director

The director who served the company during the year was as follows:

K R Spencer

Auditor

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

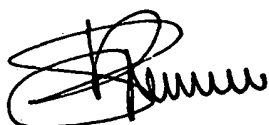
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of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

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Small company provisions

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

This report was approved by the director on .25 June 2021.....and signed on behalf of the board by:



K R Spencer
Director

Registered office:
45 Westerham Road
Bessels Green
Sevenoaks
Kent
United Kingdom
TN13 2QB

VS 203 Limited

Director's Responsibilities Statement

Year ended 31 March 2020

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

VS 203 Limited

Independent Auditor's Report to the Member of VS 203 Limited

Year ended 31 March 2020

Opinion

We have audited the financial statements of VS203 Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings and the Statement of Financial Position, and 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 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 2020 and of its loss 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.

Emphasis of Matter - Material uncertainty relating to going concern

We draw attention to note 3, on page 10 of the financial statements concerning the company's ability to continue as a going concern which indicates that the company had net current liabilities of £927,009 at 31 March 2020, and also indicate that the companies long term liabilities fall due in the forecast period. The Company is therefore reliant on the ongoing support of its fellow subsidiary, SQIB Limited, however this support is itself dependent on a number of other events which are themselves uncertain.

As stated in note 3, on page 10, these events or conditions, along with the other matters as set forth in note 3 on page 10, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Material Valuation uncertainty

We draw attention to note 3 and note 7 to the financial statements which describes that a material valuation uncertainty exists in respect of the fair value of investment properties, and that as such, less certainty and a higher degree of caution should be attached to the valuations. The ultimate outcome of the matter cannot presently be determined, and no adjustments to the value of the investment property that may result have been made in the financial statements. Our opinion is not modified in respect of this matter.

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

VS 203 Limited

Independent Auditor's Report to the Member of VS 203 Limited *(continued)*

Year ended 31 March 2020

Other information *(continued)*

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 strategic report or 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 from the requirement to prepare a strategic report or in preparing the directors' report.

VS 203 Limited

Independent Auditor's Report to the Member of VS 203 Limited *(continued)*

Year ended 31 March 2020

Responsibilities of the director

As explained more fully in the directors' responsibilities statement set out on page 3, 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

VS 203 Limited

Independent Auditor's Report to the Member of VS 203 Limited *(continued)*

Year ended 31 March 2020

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.

RSM UK Audit LLP

WILLIAM FARREN FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Portland,
25 High Street,
Crawley
RH10 1BG

28 June 2021

VS 203 Limited

Statement of Income and Retained Earnings

Year ended 31 March 2020

	Note	2020 £	2019 £
Turnover		67,726	68,549
Gross profit		67,726	68,549
Administrative expenses		(33,531)	(31,669)
Operating profit		34,195	36,880
Other interest receivable and similar income		2,410	2,371
Interest payable and similar expenses		(55,686)	(54,026)
Loss before taxation		(19,081)	(14,775)
Tax on loss	5	—	—
Loss for the financial year and total comprehensive income		(19,081)	(14,775)
Retained losses at the start of the year		(34,952)	(20,177)
Retained losses at the end of the year		(54,033)	(34,952)

The notes on pages 10 to 15 form part of these financial statements.

VS 203 Limited

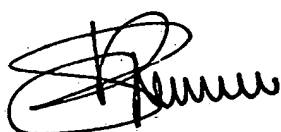
Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	3,442	–
Investment property	7	2,462,034	2,462,034
		<u>2,465,476</u>	<u>2,462,034</u>
Current assets			
Debtors	8	60,552	58,788
Cash at bank and in hand		<u>105,809</u>	<u>86,291</u>
		166,361	145,079
Creditors: amounts falling due within one year	9	(1,093,370)	(1,049,564)
Net current liabilities		<u>(927,009)</u>	<u>(904,485)</u>
Total assets less current liabilities		1,538,467	1,557,549
Creditors: amounts falling due after more than one year	10	(1,592,500)	(1,592,500)
Net liabilities		<u>(54,033)</u>	<u>(34,951)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(54,034)</u>	<u>(34,952)</u>
Shareholder deficit		<u>(54,033)</u>	<u>(34,951)</u>

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

These financial statements were approved by the director and authorised for issue on 25 June 2021.



K R Spencer
Director

Company registration number: 10001583

The notes on pages 10 to 15 form part of these financial statements.

VS 203 Limited

Notes to the Financial Statements

Year ended 31 March 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB, United Kingdom.

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'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, modified to include 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

At 31 March 2020, the company had net current liabilities of £927,009 (2019: £904,485) and net liabilities of £54,033 (2019: £34,951).

The company's long term liabilities are due for repayment in June 2021. At the date of signing these financial statements, it is uncertain how these liabilities will be settled.

The company is therefore reliant on the support of its fellow group company, SQIB Limited, which has been confirmed in writing for a period of at least 12 months from the date of approval of these financial statements. The ability of SQIB Limited to provide this support is predicated on the continued trading of its wholly owned subsidiaries in line with forecasts, completion of a refinancing exercise at the group level, securing new finance or refinancing in certain subsidiaries within the group, and the sale of certain assets within the group.

The directors have concluded that the above circumstances represent a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company will have adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Revenue recognition

The turnover shown in the profit and loss account represents rental income receivable during the period.

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 - 33% straight line

Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

VS 203 Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

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, in full, to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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. Other financial assets classified as fair value through profit or loss are measured at fair value.

Financial assets at fair value through profit or loss

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

VS 203 Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment properties

The key accounting estimate in preparing these financial statements relates to the carrying value of the investment properties which are stated at fair value. The company uses lease terms, market conditions and sales prices based upon known market transactions for similar properties as a basis for determining the director's estimation of the fair value of the investment properties. However, the valuation of the company's investment properties is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate. In addition, the deferred tax liabilities recognised in respect of the fair value gains and losses on these investment properties are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

The directors consider that as at 31 March 2020, there was a material uncertainty relating to the valuation. This highlights the significant estimation uncertainty regarding the valuation of investment property due to the Covid-19 pandemic. The valuations as at the current balance sheet date should therefore be treated with additional caution.

VS 203 Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

4. Staff costs

Aside from the director, who received no remuneration for the period there were no employees (2019: nil).

5. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is the same as (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Loss on ordinary activities before taxation	(19,081)	(14,775)
Loss on ordinary activities by rate of tax	(3,625)	(2,807)
Expenses not deductible for tax purposes	10,122	-
Group relief claimed	(2,979)	-
Adjust closing deferred tax to average rate of 19%	-	296
Remeasurement of deferred tax	(301)	-
Deferred tax not recognised	(3,217)	2,511
Tax on loss	-	-

6. Tangible assets

	Fixtures and fittings £
Cost	
At 1 April 2019	-
Additions	3,890
At 31 March 2020	3,890
Depreciation	
At 1 April 2019	-
Charge for the year	448
At 31 March 2020	448
Carrying amount	
At 31 March 2020	3,442
At 31 March 2019	-

7. Investment property

	Investment property £
Fair Value	
At 1 April 2019 and 31 March 2020	2,462,034
Carrying amount	
At 31 March 2020	2,462,034
At 31 March 2019	2,462,034

VS 203 Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

7. Investment property *(continued)*

The fair valuation of the company's investment property has been carried out by the director. Fair value is not considered to have moved since the date of acquisition.

The outbreak of Covid-19, declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020, has impacted Market Activity in many sectors. As at the valuation date, the directors consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The current response to Covid-19 means that valuers are faced with an unprecedented set of circumstances on which to base a judgement. The valuations across all investment properties are therefore reported in the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. A "material valuation uncertainty" does not mean that the valuations cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that in the extraordinary circumstances that existed at the balance sheet date, less certainty can be attached to valuations than would otherwise be the case.

8. Debtors

	2020	2019
	£	£
Other debtors	<u>60,552</u>	<u>58,788</u>

9. Creditors: amounts falling due within one year

	2020	2019
	£	£
Amounts owed to group undertakings	1,066,123	1,045,517
Other creditors	<u>27,247</u>	<u>4,047</u>
	<u>1,093,370</u>	<u>1,049,564</u>

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

	2020	2019
	£	£
Bank loans and overdrafts	<u>1,592,500</u>	<u>1,592,500</u>

VS 203 Limited is committed to repay the aggregate of the Base Rate plus 2.75%, monthly, on the bank loan of £1,592,500 (2019: £1,592,500). This fixed rate bank loan is subject to interest cover and loan to value covenants. There is a registered charge over the property and bank accounts in favour of Metro Bank PLC.

11. Related party transactions

An amount of £1,592,500 (2019: £1,592,500) is included in bank loans and mortgages at the period ended 31 March 2020. As part of the terms for this bank loan, K R Spencer is a guarantor and VS 109 Limited, VS 403 Limited and VS 602 Limited, subsidiaries of Armature Limited, are security providers.

VS 203 Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

11. Related party transactions *(continued)*

Included in amounts owed to group undertakings as at 31 March 2020, is an amount of £125,562 (2019: £104,956) owed to Bishops UK Limited. This is a funding balance as Bishops UK Limited have made payments on behalf of VS 203 Limited. The amount due is unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received.

12. Controlling party

The immediate and ultimate parent undertaking is Armature Limited which holds a 100% shareholding in VS 203 Limited. K R Spencer and A Spencer each own a 50% shareholding in Armature Limited. The smallest and largest group for which consolidated accounts that include the company are prepared for is headed by Armature Limited. Copies of these financial statements may be obtained from 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.