

FARO INVESTMENTS IX LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

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FARO INVESTMENTS IX LIMITED

COMPANY INFORMATION

Directors	Mr K Y Kanani Mr M A Khan
Registered number	11817141
Registered office	39 Sloane Street Sloane Street London United Kingdom SW1X 9LP
Independent auditors	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA

FARO INVESTMENTS IX LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Notes to the Financial Statements	9 - 12

FARO INVESTMENTS IX LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021**

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

The company's principal activity was the holding of investment property, following the acquisition of a property from another group company in the period.

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.

Principal activity

The company is a property company focusing on the commercial sectors across the UK market.

Directors

The directors who served during the period were:

Mr K Y Kanani (appointed 4 January 2021)
Mr M A Khan (appointed 4 January 2021)
Mr A S Aldridge (resigned 4 January 2021)
Mr I W Torrens (resigned 15 June 2020)

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.

FARO INVESTMENTS IX LIMITED

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

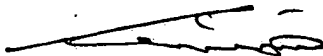
Auditors

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 15 July 2021 and signed on its behalf.



Mr K Y Kanani
Director

FARO INVESTMENTS IX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARO INVESTMENTS IX LIMITED

Opinion

We have audited the financial statements of Faro Investments IX Limited (the 'company') for the period ended 31 March 2021 which comprise the Statement of comprehensive income, 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 period 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.

FARO INVESTMENTS IX LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARO INVESTMENTS IX 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' 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 INVESTMENTS IX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARO INVESTMENTS IX 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 the incomplete reporting of revenues, the incorrect reporting of expenses and the inappropriate use of 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:

- Review of evidence of any unreported income; and
- Testing of a sample of expense transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the company's processes and controls surrounding manual journal entries;

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 INVESTMENTS IX LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARO INVESTMENTS IX 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: 16 July 2021

FARO INVESTMENTS IX LIMITED

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

	Note	Period ended 31 March 2021 £	Period ended 29 February 2020 £
Cost of sales		(165,385)	-
Gross (loss)/profit		(165,385)	-
Administrative expenses		(110,256)	-
Operating (loss)/profit		(275,641)	-
(Loss)/profit for the financial period		(275,641)	-
Other comprehensive income for the period			
Total comprehensive income for the period		(275,641)	-

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

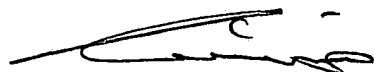
FARO INVESTMENTS IX LIMITED
REGISTERED NUMBER: 11817141

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	31 March 2021 £	29 February 2020 £
Fixed assets			
Investment Property	4	1,250,000	-
		<u>1,250,000</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	5	32,375	-
Cash at bank and in hand	6	577	1
		<u>32,952</u>	<u>1</u>
Creditors: amounts falling due within one year	7	(1,558,592)	-
Net current (liabilities)/assets		<u>(1,525,640)</u>	<u>1</u>
Total assets less current liabilities		<u>(275,640)</u>	<u>1</u>
Net (liabilities)/assets		<u><u>(275,640)</u></u>	<u><u>1</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(275,641)	-
		<u>(275,640)</u>	<u>1</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 15 July 2021.



Mr K Y Kanani
Director

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

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

1. General information

Faro Investments IX Limited is a property company focusing on the commercial sectors across the UK market.

Faro Investments IX Limited (the 'Company') is a private company limited by shares and is incorporated, registered and domiciled in England. The address of its registered office is 39 Sloane Street, Knightsbridge, London, SW1X 9LP.

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.

The following principal accounting policies have been applied:

2.2 Going concern

The company has reported a loss for the period of £275,641 and whilst it has net liabilities of £275,640, 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.

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 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

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.

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

2. Accounting policies (continued)

2.6 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.

2.7 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.

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.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company

FARO INVESTMENTS IX LIMITED

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

2. Accounting policies (continued)

2.7 Financial instruments (continued)

does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including directors, during the period was 2 (2020 - 2).

4. Investment Property

	Investment property £
Cost or valuation	
Additions	1,250,000
At 31 March 2021	<u>1,250,000</u>
Net book value	
At 31 March 2021	<u><u>1,250,000</u></u>

Investment properties were revalued to fair value at 31 March 2021, based on a valuation undertaken by Colliers International, Members of the Royal Institute of Chartered Surveyors (RICS), independent valuer with recent experience in the location and class of the investment property being valued. The method of determining fair value was prepared in accordance with PS2 of the 'RICS Valuation - Global Standards 2020 (Incorporating the IVSC International Valuation Standards)' prepared by the Royal Institute of Chartered Surveyors. The investment properties have been valued on the basis of market value, market rent and an amount for which the asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction in line with FRS 102. The valuations were subjected to the following assumptions: properties would be sold subject to any existing leases, and property held for development would be sold with vacant possession in its existing condition.

FARO INVESTMENTS IX LIMITED

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

5. Debtors

	31 March 2021 £	29 February 2020 £
Prepayments and accrued income	32,375	-
	32,375	-

6. Cash and cash equivalents

	31 March 2021 £	29 February 2020 £
Cash at bank and in hand	577	1
	577	1

7. Creditors: Amounts falling due within one year

	31 March 2021 £	29 February 2020 £
Trade creditors	3,213	-
Amounts owed to group undertakings	1,545,036	-
Accruals and deferred income	10,343	-
	1,558,592	-

Amounts owed to group undertakings of £1,545,036 (2020: £Nil) are repayable on demand, and bear no interest.

8. Parent company and controlling party

The company's immediate parent undertaking is Faro Capital Limited. The smallest and largest group in which the results of the company are consolidated is that headed by IPGL (Holdings) Limited. The consolidated financial statements of this group are available to the public and may be obtained from their registered address at 3rd Floor, Sloane Street, London, SW1X 9LP.

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