FENWICK 141 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 2021

REGISTERED NUMBER 12606124

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DIRECTORS' REPORT

The Directors have pleasure in presenting their first report Company for the period ended 31 January 2021.

The Directors of the company who were in office during the year and up to the date of approval of the financial statements were:

J P Edgar	(Appointed on Incorporation)
H M Fenwick	(Appointed on Incorporation)
M R Fenwick	(Appointed on Incorporation)
S D Barber	(Appointed 1 May 2021)
K Dracou	(Appointed 1 May 2021)
S E Westerman	(Appointed 1 May 2021)
S J Calver	(Appointed 1 May 2021)

PRINCIPAL ACTIVITIES

The principal activity of the company is that of property investment.

The company was incorporated on 15th May 2020.

FINANCIAL RISK

The Group's principal risk is its ability to generate and have access to sufficient funds to support the business and invest in future commercial requirements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the Company hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

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

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The company has not prepared a strategic report and a reduced directors report.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, were appointed during the year and have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

By Order of the Board

J Anders
Secretary

29 June 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FENWICK 141 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Fenwick 141 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2021 and of its loss for the period from 15 May 2020 to 31 January 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 January 2021; the profit and loss account and the statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FENWICK 141 LIMITED (CONTINUED)

Reporting on other information (continued)
With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 January 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit
Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 an auditors' 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to applicable legal requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve results or through management bias in manipulation of accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of board minutes;
- Review of legal expenditure in the year in order to identify potential non-compliance with laws and regulations;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FENWICK 141 LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to impairment of assets and valuation of investment property;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle
29 June 2021

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 15 MAY 2020 TO 31 JANUARY 2021

	Note	Period ended 31 January 2021 £'000
Turnover		2,019
Administrative expenses		(765)
Unrealised change in fair value of investment properties	6	(6,075)
Loss before tax		(4,821)
Tax on loss	5	4,078
Loss for the financial period		(743)

BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	As at 31 January 2021 £'000
FIXED ASSETS		
Investment property	6	114,675
CURRENT ASSETS		
Debtors		4,077
Cash at bank and in hand		2,387
Creditors: amounts falling due within one year	8	(640)
Net current assets		5,824
Total assets less current liabilities		**120,499**
Creditors: amounts falling due after more than one year	9	(121,242)
Net Liabilities		**(743)**
CAPITAL AND RESERVES		
Called up share capital	10	-
Revaluation reserve		-
Retained earnings		(743)
Total capital and reserves		**(743)**

The notes on pages 9 to 13 form part of the financial statements.

The financial statements on pages 6 to 13 were approved by the Board of Directors on 26 May 2021 and signed on its behalf by

J Edgar

M R Fenwick

29 June 2021

Registered number 12606124

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 15 MAY 2020 TO 31 JANUARY 2021

	Called-up share capital £'000	Revaluation reserve £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 15 May 2020	-	-	-	-
Issue of share capital	-	-	-	-
Loss for the financial period	-	-	(743)	(743)
Balance at 31 January 2021	-	-	(743)	(743)

1 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below and have been applied consistently for the period 15 May 2020 to 31 January 2021.

General Information

The company is a private company limited by shares and is incorporated in United Kingdom. The address of the registered office is Elswick Court, Northumberland Street, Newcastle upon Tyne, NE99 1AR.

Basis of preparation

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain assets at fair value. All accounting policies are consistently applied unless otherwise stated.

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease. Rent free periods or other incentives are accounted for as a reduction to the rental income and recognised on a straight line basis over the term of the lease.

Going Concern

The company meets it's day to day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over

a) the level of demand for the company's service
b) the availability of bank finance for the foreseeable future

The company's forecasts and projections, taking account of reasonably possible changes in trading performance show, show that the company should be able to operate within the level of current facilities. The parent company will not seek repayment of the inter-company balances throughout the going concern period and as such the directors believe that the company is a going concern. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Tangible fixed assets

In accordance with FRS 102 section 16, (i) investment properties are revalued at each financial reporting period end with the unrealised gain or loss from the previous period end recognised in the profit and loss account. The Company has chosen to transfer all unrealised gains and losses on investment properties from Retained earnings to the Revaluation reserve and (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 2006 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in FRS 102 section 16. The Directors consider that to depreciate such properties would not give a true and fair view, but that a true and fair view is given by following FRS 102 section 16 as described above.

Cash and cash equivalents

Cash at bank and in hand includes cash in hand and deposits held at call with banks.

Taxation

Current tax is the amount of corporation tax payable in respect of the taxable profit for period or prior periods and is calculated based on tax rates and laws that have been enacted or substantially enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

1 ACCOUNTING POLICIES (continued)

Deferred tax is recognised on all timing differences at the reporting date. Deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantially enacted by the period end and that are expected to apply to the reversal of the timing difference.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets, comprising trade debtors, cash at bank and in hand and current asset investments, are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method. At the end of each reporting period, these financial assets are assessed for any objective evidence of impairment, and if assessed as impaired, the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate is recognised in profit and loss.

Financial liabilities, comprising trade and other creditors and loans from fellow Group companies, are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same Group.

Critical accounting estimates and assumptions

(a) Investment properties

The Company's investment properties have been valued at fair value at the balance sheet date. A third party desktop valuation was carried out in 2021 to provide management with sufficient basis of the fair value of the assets. A full external valuation in accordance with the principles of the RICS Valuation – Professional Standards (the "Red Book") as defined within the Red Book was performed in January 2020 by Cushman & Wakefield.

(b) Impairment

The Company performs impairment reviews on the carrying value of fixed assets. This involves judgement and involves the use of estimates and assumptions. The assumptions reflect historical experience and current trends.

2 TURNOVER

All turnover of £2.0m has been derived in the United Kingdom

3 OPERATING LOSS

The audit remuneration fees amounting to £4k are borne by Fenwick Limited.

4 EMPLOYEES

The company has no employees and therefore no remuneration. The directors are not remunerated for their services to the company.

5 TAX ON LOSS

	2021 £'000
Current tax:	
UK corporation tax on Loss of the period	-
Current year	-
	-
Deferred tax:	
Origination and reversal of timing differences	4,078
Total	4,078

Factors affecting the tax charge for the period

	2021 £'000
Loss before tax	(4,821)
Loss before tax @ 19.0%	(916)
Effects of group relief/other reliefs	(239)
Intra group transfer of property	5,233
Tax credit for the period	(4,078)

Provision for deferred taxation

	2021 £'000
Revaluations of property	4,078

Factors that may affect future tax charges

At the UK budget on 11 March 2020 it was announced that the previously enacted reduction in the standard rate of corporation tax in the UK to 17% from 1 April 2020 would be cancelled and would remain at 19%. The corporation tax rate is now confirmed to increase to 25% from April 2023 which was announced on 3 March 2021.

6 INVESTMENT PROPERTY

Land and Buildings

	Land and Buildings £'000
Cost and Valuation	
Additions	120,750
Revaluation	(6,075)
At 31 January 2021	114,675
Net book value	
At 31 January 2021	114,675

The Company's investment properties have been valued at fair value at the balance sheet date. A full external valuation in accordance with the principles of the RICS Valuation – Professional Standards (the "Red Book") as defined within the Red Book was performed in June 2020 by Cushman & Wakefield.

Cushman & Wakefield undertook a desktop exercise for the period ended 31 January 2021 and the resultant revaluation loss has been recognised in the Profit and Loss account within Operating Profit.

7 DEBTORS

	As at 31 January 2021 £'000
Deferred tax asset	4,078

8 CREDITORS: amounts falling due within one year

	As at 31 January 2021 £'000
VAT	164
Accruals and deferred income	476
	640

9 CREDITORS: amounts falling due after more than one year

	As at 31 January 2021 £'000
Amounts owed to group undertakings	111,242
Loan liability	10,000
	121,242

CREDITORS: amounts falling due after more than one year (continued)

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment, although the Company has the unconditional right to defer settlement for at least 12 months from the financial reporting period end.

10 CALLED UP SHARE CAPITAL

	Allotted and fully paid Number	£
Ordinary Shares of £1 each:		
At 15 May 2020	-	-
Issued on incorporation	1	1
At 31 January 2021	**1**	**1**

On 15 May 2020 1 ordinary share was issued for £1.

11 BORROWINGS

	As at 31 January 2021 £'000
Borrowings	10,000

During the year, the Company drew down on £10m of the £40m facility.

On 26 June 2020, the Company obtained a £40m RCF facility with Lloyds Bank over a 2-year term and interest rate of 1.75% + LIBOR. The facility is secured against the rental income stream of the investment property held by the Company.

12 RELATED PARTY TRANSACTIONS

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within Fenwick Limited.

13 ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Fenwick Property Holdings Limited.

The ultimate parent undertaking is Fenwick Limited. The address of the registered office is Elswick Court, Northumberland Street, Newcastle upon Tyne, NE99 1AR. The financial statements can be found at Companies House of England and Wales.

14 POST BALANCE SHEET EVENTS

On 21 May 2021, Fenwick 141 Limited provided additional security for a £88 million RCF facility with Lloyds Bank over a 3-year term. The facility is also secured against the rental income stream of one of the investment properties held by the Group. This facility will provide flexibility in respect of financing requirements and further working capital support during these unprecedented times.