

Registered number: 02314954

FAIRGATE ESTATES LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2022

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FAIRGATE ESTATES LIMITED
REGISTERED NUMBER: 02314954

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investment property	4	21,312,351	19,256,525
		<u>21,312,351</u>	<u>19,256,525</u>
Current assets			
Debtors: amounts falling due within one year	5	3,537,529	3,715,571
Cash at bank and in hand	6	184,875	162,597
		<u>3,722,404</u>	<u>3,878,168</u>
Creditors: amounts falling due within one year	7	(11,579,343)	(11,912,920)
Net current liabilities		<u>(7,856,939)</u>	<u>(8,034,752)</u>
Total assets less current liabilities		<u>13,455,412</u>	<u>11,221,773</u>
Provisions for liabilities			
Deferred tax	8	(2,077,556)	(1,200,495)
		<u>(2,077,556)</u>	<u>(1,200,495)</u>
Net assets		<u><u>11,377,856</u></u>	<u><u>10,021,278</u></u>
Capital and reserves			
Called up share capital		100,000	100,000
Investment property reserve	9	12,466,200	11,319,435
Profit and loss account	9	(1,188,344)	(1,398,157)
		<u>11,377,856</u>	<u>10,021,278</u>

FAIRGATE ESTATES LIMITED
REGISTERED NUMBER: 02314954

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S C Stevenson
Director

Date: 27/09/23

The notes on pages 3 to 9 form part of these financial statements.

FAIRGATE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Fairgate Estates Limited is a private company limited by shares and registered in England and Wales. The registered office address is 22-24 Ely Place, London, EC1N 6TE.

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 financial statements are prepared in Pounds Sterling, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will be able to continue trading for the foreseeable future.

The company has net current liabilities at the balance sheet date as the company is funded by group and related company loans included in current liabilities. The immediate parent company has stated that it intends, without creating a contractual obligation, to provide such support as it may be necessary. The directors are therefore satisfied that the going concern basis is appropriate for the preparation of these financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

FAIRGATE ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Operating leases: the company as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

Temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised on a systematic basis over the periods that the change in lease income is intended to compensate. This is conditional on:

- the change in lease income resulting in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease income affecting only income originally due on or before 30 June 2022;
- there being no significant change to other terms and conditions of the lease.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Interest charge

Interest charged is to the profit & loss account as it falls due.

Interest due on bank loans where group companies are party to the loan agreement is recognised in the profit & loss account of the group company to the extent that the loan amount is attributable to that company.

FAIRGATE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

FAIRGATE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.13 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.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

FAIRGATE ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Employees

The directors of the company are also directors of other companies within the group to which the company belongs. The directors are remunerated by Fairgate Group Limited, the immediate parent company.

Wages and salaries included in the financial statements represent the recharge of central payroll expenses incurred by Fairgate Group Limited.

The average monthly number of employees, including directors, during the year was 5 (2021 - 5).

4. Investment property

	Freehold investment property £
Valuation	
At 1 January 2022	19,256,525
Additions at cost	32,000
Surplus on revaluation	2,023,826
At 31 December 2022	21,312,351

The 2022 valuations were made by the directors, on an open market value for existing use basis.

5. Debtors

	2022 £	2021 £
Trade debtors	6,546	84,117
Amounts owed by group undertakings	3,446,070	3,446,069
Other debtors	52,785	159,977
Prepayments and accrued income	32,128	25,408
	3,537,529	3,715,571

FAIRGATE ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	184,875	162,597

7. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	22,263	95,595
Amounts owed to group undertakings	10,978,843	11,294,573
Corporation tax	24,411	46,885
Other taxation and social security	-	3,350
Other creditors	211,880	141,650
Accruals and deferred income	341,946	330,867
	11,579,343	11,912,920

8. Deferred taxation

	2022	2021
	£	£
At beginning of year	(1,200,495)	(1,200,495)
Charged to profit or loss	(877,061)	-
At end of year	(2,077,556)	(1,200,495)

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Revaluation of investment property	(2,077,556)	(1,200,495)
	(2,077,556)	(1,200,495)

FAIRGATE ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Reserves

Investment property revaluation reserve

The investment property revaluation reserve relates to amount arising on the revaluation of the company's investment property, net of deferred tax. The reserve is not distributable.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

10. Other financial commitments

The company is party to the group's loan agreement with Barclays Bank plc. A bank loan of £27,082,500 (2021 - £28,282,500) is included in the financial statements of Fairgate Group Limited, the principal borrower and the immediate parent company. The bank loan is due, secured and guaranteed by way of fixed and floating charges over the assets held by subsidiary companies.

The terms of the agreement express the amount of the loan allocated to each subsidiary company. As set out in the 'Interest charge' accounting policy, interest is recognised as a charge to the profit & loss account in each of the subsidiary companies in accordance with this allocation. As a result, interest of £252,689 (2021 - £311,141) was recognised by the company.

11. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

12. Controlling party

The immediate parent undertaking is Fairgate Group Limited, a company incorporated in England. The ultimate controlling party is the Lurego Trust, a trust registered in Guernsey. No consolidated financial statements are prepared for the trust.

The largest and smallest group in which the results of the company are included are the consolidated financial statements of Fairgate Group Limited. These are available to the public and may be obtained from Companies House.