

Flanstead Limited
Unaudited Financial Statements
31 December 2020

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Flanstead Limited

Financial Statements

Year ended 31 December 2020

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Flanstead Limited

Officers and Professional Advisers

Director	K R Spencer
Company secretary	C J Payne
Registered office	45 Westerham Road Bessels Green Sevenoaks Kent TN13 2QB
Bankers	Lloyds PO Box 1000 Andover BX1 1LT

Flanstead Limited

Director's Report

Year ended 31 December 2020

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

Director

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

K R Spencer

Political donations and expenditure


During the year the company has made the following political contributions:

	2020 £	2019 £
Donations to EU political parties	—	<u>7,400</u>

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



K R Spencer
Director

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

Flanstead Limited

Income Statement

Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover		403,321	468,997
Gross profit		403,321	468,997
Administrative expenses		(238,111)	(328,422)
Operating profit		165,210	140,575
Interest payable and similar expenses		(42,600)	(32,419)
Profit before taxation	5	122,610	108,156
Tax on profit	6	(35,592)	(25,407)
Profit for the financial year and total comprehensive income		87,018	82,749

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 6 to 13 form part of these financial statements.

Flanstead Limited

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	7	7,935,787	7,935,095
Investments	8	1	1
		<u>7,935,788</u>	<u>7,935,096</u>
Current assets			
Debtors	9	277,720	1,173,075
Cash at bank and in hand		74,826	44,227
		<u>352,546</u>	<u>1,217,302</u>
Creditors: amounts falling due within one year	10	<u>(5,653,137)</u>	<u>(6,521,737)</u>
Net current liabilities		<u>(5,300,591)</u>	<u>(5,304,435)</u>
Total assets less current liabilities		<u>2,635,197</u>	<u>2,630,661</u>
Creditors: amounts falling due after more than one year	11	<u>(1,587,550)</u>	<u>(1,677,646)</u>
Provisions			
Taxation including deferred tax		<u>(57,909)</u>	<u>(50,295)</u>
Net assets		<u>989,738</u>	<u>902,720</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>989,737</u>	<u>902,719</u>
Member's funds		<u>989,738</u>	<u>902,720</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'.

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 6 to 13 form part of these financial statements.

Flanstead Limited

Statement of Financial Position *(continued)*

31 December 2020

These financial statements were approved by the director and authorised for issue on



K R Spencer
Director

Company registration number: 06461988

The notes on pages 6 to 13 form part of these financial statements.

Flanstead Limited

Notes to the Financial Statements

Year ended 31 December 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.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of 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. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The company has the continued financial support of the director. Based on this support, the company will have sufficient resources to meet its financial liabilities as they fall due and the director has therefore prepared the financial statements on the going concern basis.

Should the company be unable to meet its liabilities as they fall due, adjustments would have to be made to the financial statements to reduce the value of the assets to their recoverable amount and to provide for any further liabilities which may arise.

Revenue recognition

The turnover shown in the profit and loss account represents rents receivable during the year.

Flanstead Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, 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 directors' 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.

Flanstead Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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:

Leasehold property	-	10% straight line
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Flanstead Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Investment property

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

Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost, including directly attributable transaction costs and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

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

Flanstead Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

4. Staff costs

The average number of persons employed by the company during the year amounted to 2 (2019: 2).

5. Profit before taxation

Profit before taxation is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	<u>20,964</u>	<u>22,392</u>

Flanstead Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Tax on profit

Major components of tax expense

	2020 £	2019 £
Current tax:		
UK current tax expense	27,978	24,230
Deferred tax:		
Origination and reversal of timing differences	7,614	1,177
Tax on profit	<u>35,592</u>	<u>25,407</u>

Reconciliation of tax expense

The tax assessed on the profit 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 £
Profit on ordinary activities before taxation	122,610	108,156
Profit on ordinary activities by rate of tax	23,296	20,550
Adjustment to tax charge in respect of prior periods	377	–
Effect of expenses not deductible for tax purposes	2,019	1,406
Fixed asset differences	3,983	3,589
Changes to rates of taxation	–	(138)
Remeasurement of deferred tax for change in tax rates	5,917	–
Tax on profit	<u>35,592</u>	<u>25,407</u>

Flanstead Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

7. Tangible assets

	Freehold property £	Long leasehold property £	Total £
Cost			
At 1 January 2020	7,823,567	223,918	8,047,485
Additions	21,656	–	21,656
At 31 December 2020	7,845,223	223,918	8,069,141
Depreciation			
At 1 January 2020	–	112,390	112,390
Charge for the year	–	20,964	20,964
At 31 December 2020	–	133,354	133,354
Carrying amount			
At 31 December 2020	7,845,223	90,564	7,935,787
At 31 December 2019	7,823,567	111,528	7,935,095

The directors considers that there has been no change in the open market value of the freehold investment property at the year end.

The historic cost of the investment property is £7,765,423 (2019: £7,743,767).

8. Investments

	Other investments other than loans £
Cost	
At 1 January 2020 and 31 December 2020	1
Impairment	
At 1 January 2020 and 31 December 2020	–
Carrying amount	
At 31 December 2020	1
At 31 December 2019	1

9. Debtors

	2020 £	2019 £
Trade debtors	122,570	48,086
Other debtors	155,150	1,124,989
	277,720	1,173,075

Flanstead Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

10. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	86,208	812
Corporation tax	52,208	24,230
Other creditors	5,514,721	6,496,695
	<u>5,653,137</u>	<u>6,521,737</u>

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

	2020	2019
	£	£
Other creditors 2 to 5 years repayable by instalments	369,324	380,926
Other creditors greater than 5 years repayable by instalments	1,218,226	1,296,717
	<u>1,587,550</u>	<u>1,677,643</u>

12. Related party transactions

The following transactions are with subsidiaries of SQIB Limited, which K R Spencer is a director and shareholder by virtue of his 50% shareholding in Armature Limited that owns 75% of SQIB Limited.

Integra Property Management Limited is a company in which K R Spencer is a director. Included within trade debtors is £122,570 (2019: £48,086) due from Integra Property Management Limited. During the year the company invoiced Integra Property Management Limited £515,879 (2019: £478,037) for rent receivable.

Bishops UK Limited is a company in which K R Spencer is a director. Included within other creditors is £532,842 (2019: £532,842) due to Bishops UK Limited.

Flexford Limited is a company which is incorporated in England and Wales and in which K R Spencer is a director and shareholder. Included in other debtors are amounts due from Flexford Limited of £116,291 (2019: £170,418).

Also included in other creditors is an amount due to K R Spencer, a director, of £4,630,463 (2019: £5,532,127). The loan is interest free and repayable on demand.

13. Controlling party

The company was under the control of K R Spencer throughout the current and previous year. K R Spencer is the managing director and majority shareholder.