



VS 602 Limited
Financial Statements
31 March 2017

SATURDAY



A6LVDW7N

A18

23/12/2017

#323

COMPANIES HOUSE

VS 602 Limited

Financial Statements

Period from 11 February 2016 to 31 March 2017

Contents	Page
Officers and professional advisers	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report to the members	4
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

VS 602 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 & statutory auditor Hanover House 18 Mount Ephraim Road Tunbridge Wells Kent TN1 1ED

VS 602 Limited

Director's Report

Period from 11 February 2016 to 31 March 2017

The director presents his report and the financial statements of the company for the period ended 31 March 2017.

Principal activities

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

Incorporation

The company was incorporated on 11 February 2016. The director has extended the company reporting date to 31 March and therefore the first financial statements prepared are for the period 11 February 2016 to 31 March 2017.

Director

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

K R Spencer (Appointed 11 February 2016)

Auditor

RSM UK Audit LLP was appointed in the period and is deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

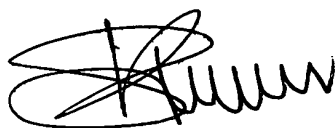
The director at the date of approval of this report confirms that:

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

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 and signed by the director on 22 December 2017



K R Spencer
Director

VS 602 Limited

Director's Responsibilities Statement

Period from 11 February 2016 to 31 March 2017

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 period. 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 602 Limited

Independent Auditor's Report to the Members of VS 602 Limited

Period from 11 February 2016 to 31 March 2017

Opinion on financial statements

We have audited the financial statements on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Director's 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 any material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where 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 director was 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 Director's Report.

VS 602 Limited

Independent Auditor's Report to the Members of VS 602 Limited *(continued)*

Period from 11 February 2016 to 31 March 2017

Respective responsibilities of directors and auditor

As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Gary Purdy (Senior Statutory Auditor)
RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1ED

22 December 2017

VS 602 Limited

Statement of Comprehensive Income

Period from 11 February 2016 to 31 March 2017

		Period from 11 Feb 16 to 31 Mar 17
	Note	£
Turnover		77,890
Gross profit		<u>77,890</u>
Administrative expenses		(73,789)
Operating profit		<u>4,101</u>
Other interest receivable and similar income	5	86
Interest payable and similar expenses	6	(71,869)
Loss before taxation		<u>(67,682)</u>
Tax on loss	7	<u>-</u>
Loss for the financial period and total comprehensive income		<u><u>(67,682)</u></u>

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 period as set out above.

The notes on pages 9 to 14 form part of these financial statements.

VS 602 Limited

Statement of Financial Position

31 March 2017

	Note	31 Mar 17 £
Fixed assets		
Investment properties	8	4,254,439
Current assets		
Debtors	9	1
Cash at bank and in hand		85,400
		<u>85,401</u>
Creditors: amounts falling due within one year	10	(1,645,021)
Net current liabilities		<u>(1,559,620)</u>
Total assets less current liabilities		2,694,819
Creditors: amounts falling due after more than one year	11	(2,762,500)
Net liabilities		<u>(67,681)</u>
Capital and reserves		
Called up share capital		1
Profit and loss account		(67,682)
Members deficit		<u>(67,681)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the director and authorised for issue on ~~22 December 2017~~, and are signed by:



K R Spencer
Director

Company registration number: 10001397

The notes on pages 9 to 14 form part of these financial statements.

VS 602 Limited

Statement of Changes in Equity

Period from 11 February 2016 to 31 March 2017

	Called up share capital £	Profit and loss account £	Total £
At 11 February 2016	—	—	—
Loss for the period	—	(67,682)	(67,682)
Total comprehensive income for the period	—	(67,682)	(67,682)
Issue of shares	1	—	1
Total investments by and distributions to owners	1	—	1
At 31 March 2017	<u>1</u>	<u>(67,682)</u>	<u>(67,681)</u>

The notes on pages 9 to 14 form part of these financial statements.

VS 602 Limited

Notes to the Financial Statements

Period from 11 February 2016 to 31 March 2017

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

Accounting convention

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, 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. Monetary amounts in these financial statements are rounded to the nearest whole £.

Going concern

At 31 March 2017, the company had net current liabilities of £1,559,620 and net liabilities of £67,681. The company is required to comply with two financial covenants in the bank loan agreement. In particular, there is a risk that the loan to value covenant will be breached if property values decline. In the event that the company breaches either of its covenants then the bank would have the right to demand immediate repayment of the loan.

If the company is unable to repay its loan then reliance is placed initially on other related companies via cross guarantees, then on Mr K R Spencer as the controlling shareholder.

The company has the continued financial support of Mr Spencer, who has confirmed that he will provide continuing support for at least 18 months from the date of approval of these financial statements. Based on this support, the director considers that 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 assets to their recoverable amount and to provide for any further liabilities which may arise.

VS 602 Limited

Notes to the Financial Statements *(continued)*

Period from 11 February 2016 to 31 March 2017

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 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.

Revenue recognition

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

Investments

Investment properties are initially measured at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

VS 602 Limited

Notes to the Financial Statements *(continued)*

Period from 11 February 2016 to 31 March 2017

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 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.

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

Aside from the director, who received no remuneration for the period, there were no employees in the company.

VS 602 Limited

Notes to the Financial Statements *(continued)*

Period from 11 February 2016 to 31 March 2017

5. Other interest receivable and similar income

	Period from 11 Feb 16 to 31 Mar 17 £
Interest on bank deposits	<u>86</u>

6. Interest payable and similar expenses

	Period from 11 Feb 16 to 31 Mar 17 £
Interest on bank loans	<u>71,869</u>

7. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 20%.

	Period from 11 Feb 16 to 31 Mar 17 £
Loss on ordinary activities before taxation	<u>(67,682)</u>
Loss on ordinary activities by rate of tax	(13,536)
Adjust closing deferred tax to average rate of 20%	2,030
Deferred tax not recognised	<u>11,506</u>
Tax on loss	<u>-</u>

VS 602 Limited

Notes to the Financial Statements *(continued)*

Period from 11 February 2016 to 31 March 2017

8. Investment properties

	Investment Property £
Cost	
Additions	4,254,439
At 31 March 2017	<u>4,254,439</u>
Impairment	
At 11 Feb 2016 and 31 Mar 2017	<u>—</u>
Carrying amount	
At 31 March 2017	<u>4,254,439</u>

During the period the company purchased an investment property within the UK. The acquisition cost was £4,254,439.

9. Debtors

	31 Mar 17 £
Other debtors	<u>1</u>

10. Creditors: amounts falling due within one year

	31 Mar 17 £
Amounts owed to group undertakings	1,643,275
Other creditors	1,746
	<u>1,645,021</u>

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

	31 Mar 17 £
Bank loans	<u>2,762,500</u>

VS 602 Limited is committed to repay the aggregate of the Base Rate plus 2.75%, monthly, on the bank loan of £2,762,500. 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.

VS 602 Limited

Notes to the Financial Statements *(continued)*

Period from 11 February 2016 to 31 March 2017

12. Related party transactions

During the period, a property was purchased from a related party for £4,250,000. This was purchased on an arm's length basis based on a market valuation at the time of purchase. There are no balances outstanding at the period end. The related party is a wholly owned subsidiary of SQIB Limited. Armature Limited owns 75% of the issued share capital in SQIB Limited.

An amount of £2,762,500 is included in bank loans at the period ended 31 March 2017. As part of the terms for this bank loan, K R Spencer is a guarantor and VS 109 Limited, VS 203 Limited and VS 402 Limited, all three companies are fellow subsidiaries of Armature Limited and have provided cross company guarantees.

Included in amounts owed to group undertakings as at 31 March 2017, was an amount of £75,032 owed to Bishops UK Limited. This is a funding balance as Bishops UK Limited have made payments on behalf of VS 109 Limited. Bishops UK Limited is a wholly owned subsidiary of SQIB Limited. Armature Limited owns 75% of the issued share capital in SQIB Limited. The amount due is unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received.

13. Controlling party

The immediate and ultimate parent undertaking is Armature Limited which owns 100% shareholding in VS 602 Limited. K R Spencer owns 100% shareholding in Armature Limited. The 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.