

COMPANY REGISTRATION NUMBER: 10001423

VS 506 Limited
Unaudited Financial Statements
31 March 2023



VS 506 Limited

Financial Statements

Year ended 31 March 2023

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VS 506 Limited

Officers and Professional Advisers

Director

K J Barber
M R Brittain

Company secretary

R Weeks

Registered office

45 Westerham Road
Bessels Green
Sevenoaks
Kent
United Kingdom
TN13 2QB

VS 506 Limited

Directors' Report

Year ended 31 March 2023

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2023.

Principal activities

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

Director

The directors who served the company during the year, and up to the date of signing this report, were as follows:

K J Barber
M R Brittain

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

21 December 2023

This report was approved by the board of directors on and signed on behalf of the board by:

DocuSigned by:

Michael Brittain

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M R Brittain
Director

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

VS 506 Limited**Statement of Comprehensive Income****Year ended 31 March 2023**

| | Note | 2023 £ | 2022 £ |
|---|------|------------------|------------------|
| Turnover | | 79,080 | 72,759 |
| Gross profit | | <u>79,080</u> | <u>72,759</u> |
| Administrative expenses | | (33,190) | (32,017) |
| Operating profit | | 45,890 | 40,742 |
| Other interest receivable and similar income | | 1,056 | 53 |
| Interest payable and similar expenses | | (134,111) | (108,085) |
| Loss before taxation | | (87,164) | (67,290) |
| Tax on loss | | - | - |
| Loss for the financial year and total comprehensive income | | <u>(87,164)</u> | <u>(67,290)</u> |
| Retained losses at the start of the year | | (418,289) | (350,999) |
| Retained losses at the end of the year | | <u>(505,453)</u> | <u>(418,289)</u> |

The notes on pages 5 to 9 form part of these financial statements.

VS 506 Limited**Statement of Financial Position****31 March 2023**

| | Note | 2023 £ | 2022 £ |
|--|------|-------------|-------------|
| Fixed assets | | | |
| Investment property | 6 | 2,799,151 | 2,799,151 |
| Current assets | | | |
| Debtors | 7 | 102,017 | 58,863 |
| Cash at bank and in hand | | 62,411 | 129,256 |
| | | 164,428 | 188,119 |
| Creditors: amounts falling due within one year | 8 | (1,639,836) | (1,575,916) |
| Net current liabilities | | (1,475,408) | (1,387,797) |
| Total assets less current liabilities | | 1,323,743 | 1,411,354 |
| Creditors: amounts falling due after more than one year | 9 | (1,829,195) | (1,829,642) |
| Net liabilities | | (505,452) | (418,288) |
| Capital and reserves | | | |
| Called up share capital | | 1 | 1 |
| Profit and loss account | | (505,453) | (418,289) |
| Shareholders deficit | | (505,452) | (418,288) |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have 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.

These financial statements were approved by the board of directors and authorised for issue on ~~21 December 2023~~ and are signed on behalf of the board by:

DocuSigned by:

Michael Brittain

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M R Brittain
Director

Company registration number: 10001423

The notes on pages 5 to 9 form part of these financial statements.

VS 506 Limited

Notes to the Financial Statements

Year ended 31 March 2023

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

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 £.

Going concern

At 31 March 2023, the company had net current liabilities of £1,475,408 (2022: £1,387,797) and net liabilities of £505,452 (2022: £418,288).

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 these covenants then the bank would have the right to demand immediate repayment of the loan.

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.

Revenue recognition

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

Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value. Whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

VS 506 Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

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, in full, to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Financial assets at fair value through profit or loss

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

VS 506 Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

VS 506 Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

4. Staff costs

Aside from the director, who received no remuneration for the period there were no employees (2021: nil).

5. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is the same as (2022: the same as) the standard rate of corporation tax in the UK of 19% (2022: 19%).

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Loss on ordinary activities before taxation | (87,164) | (67,290) |
| Loss on ordinary activities by rate of tax | (16,561) | (11,930) |
| Deferred tax not recognised | 16,561 | 11,930 |
| Tax on loss | - | - |

6. Investment property

| | Investment property £ |
|-----------------------------------|-----------------------------|
| Cost | |
| At 1 April 2022 and 31 March 2023 | 2,799,151 |
| Carrying amount | |
| At 31 March 2023 | 2,799,151 |
| At 31 March 2022 | 2,799,151 |

The fair valuation of the company's investment property has been carried out by the director. Fair value is not considered to have moved since the date of acquisition.

7. Debtors

| | 2023 £ | 2022 £ |
|---------------|-----------|-----------|
| Other debtors | 102,017 | 58,863 |

VS 506 Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

8. Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts owed to group undertakings | 1,591,654 | 1,544,596 |
| Other creditors | 48,183 | 31,320 |
| | <u>1,639,836</u> | <u>1,575,916</u> |

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

| | 2023 | 2022 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | <u>1,829,642</u> | <u>1,829,642</u> |

In December 2021 the company refinanced and took out a loan of £1,829,642 with Investec Bank PLC. An interest rate of Bank of England base rate plus 2.75% per annum is applied to the loan.

There is a registered charge over the property and bank accounts in favour of Investec Bank PLC.

10. Related party transactions

An amount of £1,368,982 (2022: £1,321,923) is included in amounts owed to group undertakings at 31 March 2023 as owing to Ozbury Limited. Of this balance, £1,045,740 (2022: £1,045,740) relates to funding provided to finance the purchase of the investment property and £323,242 (2022: £222,672) is the total amount of interest accrued for the period to 31 March 2023. Interest on this loan is being charged at 4.5% per annum.

An amount of £222,672 (2022: £222,672) is included in amounts owed to group undertakings as owing to Bishops UK Limited, a company of which K J Barber is a director and shareholder. The loan is non-interest bearing and repayable on demand.

An amount of £9,000 (2022: £nil) is included in amounts owed by group undertakings from SQIB Group Limited, a company of which K J Barber is a director and shareholder. The loan is non-interest bearing and repayable on demand.

An amount of £1,829,195 (2022: £1,829,642) is included in bank loans and mortgages at the period ended 31 March 2023. As part of the terms for this bank loan, K J Barber is a guarantor and VS 106 Limited, a fellow subsidiary of Ozbury Limited is a security provider.

11. Controlling party

The immediate and ultimate parent undertaking is Ozbury Limited, a company registered in England and Wales. Consolidated accounts that include the company may be obtained from 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.