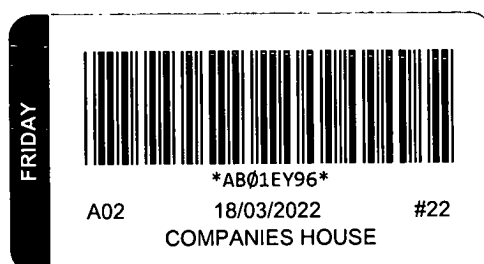


**VS 106 Limited**

**Unaudited Financial Statements**

**31 March 2021**



# **VS 106 Limited**

## **Financial Statements**

**Year ended 31 March 2021**

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# **VS 106 Limited**

## **Officers and Professional Advisers**

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<b>Director</b>	<b>K J Barber</b>
<b>Company secretary</b>	<b>C Payne</b>
<b>Registered office</b>	<b>45 Westerham Road Bessels Green Sevenoaks Kent United Kingdom TN13 2QB</b>

# **VS 106 Limited**

## **Director's Report**

**Year ended 31 March 2021**

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The director presents his report and the unaudited financial statements of the company for the year ended 31 March 2021.

### **Principal activities**

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

### **Director**

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

K J Barber

### **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 .....01/03/22.....



K J Barber  
Director

# VS 106 Limited

## Statement of Income and Retained Earnings

Year ended 31 March 2021

	Note	2021 £	2020 £
Turnover		60,000	58,192
Gross profit		<u>60,000</u>	<u>58,192</u>
Administrative expenses		(25,595)	(23,001)
Operating profit		34,405	35,191
Other interest receivable and similar income		63	190
Interest payable and similar expenses		(70,504)	(80,273)
Loss before taxation		(36,036)	(44,892)
Tax on loss	5	<u>-</u>	<u>-</u>
Loss for the financial year and total comprehensive income		<u>(36,036)</u>	<u>(44,892)</u>
Retained losses at the start of the year		(182,447)	(137,555)
Retained losses at the end of the year		<u>(218,483)</u>	<u>(182,447)</u>

All the activities of the company are from continuing operations.

The notes on pages 6 to 11 form part of these financial statements.

# VS 106 Limited

## Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investment property	6	2,004,500	2,004,500
<b>Current assets</b>			
Debtors	7	4,609	10,297
Cash at bank and in hand		115,918	101,043
		<u>120,527</u>	<u>111,340</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,343,510)</u>	<u>(1,001,537)</u>
<b>Net current liabilities</b>		<u>(2,222,983)</u>	<u>(890,197)</u>
<b>Total assets less current liabilities</b>		<u>(218,483)</u>	<u>1,114,303</u>
<b>Creditors: amounts falling due after more than one year</b>	9	<u>–</u>	<u>(1,296,750)</u>
<b>Net liabilities</b>		<u>(218,483)</u>	<u>(182,447)</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		<u>(218,484)</u>	<u>(182,448)</u>
<b>Shareholders deficit</b>		<u>(218,483)</u>	<u>(182,447)</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 Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 March 2021 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.

The statement of financial position  
continues on the following page.

The notes on pages 6 to 11 form part of these financial statements.

# VS 106 Limited

## Statement of Financial Position *(continued)*

31 March 2021

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These financial statements were approved by the director and authorised for issue on 01/03/22



K J Barber  
Director

Company registration number: 10001511

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The notes on pages 6 to 11 form part of these financial statements.

# **VS 106 Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2021**

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### **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, 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**

At 31 March 2021, the company had net current liabilities of £2,222,983 and net liabilities of £218,483.

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.

The company has the continued financial support of its ultimate controlling shareholder K R 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 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.

#### **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 106 Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2021**

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### **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 106 Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

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### 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 106 Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

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### 4. Staff costs

Aside from the director, who received no remuneration for the period there were no employees (2020: 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 (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Loss on ordinary activities before taxation	(36,036)	(44,892)
Loss on ordinary activities by rate of tax	(6,847)	(8,529)
Deferred tax not recognised	6,847	8,529
Tax on loss	—	—

### 6. Investment property

	Investment property £
Cost	
At 1 April 2020 and 31 March 2021	2,004,500
Impairment	
At 1 April 2020 and 31 March 2021	—
Carrying amount	
At 31 March 2021	2,004,500
At 31 March 2020	2,004,500

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

	2021 £	2020 £
Other debtors	4,609	10,297

# VS 106 Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 8. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	12	11
Amounts owed to group undertakings	950,578	915,687
Bank loans and overdrafts	1,303,811	–
Other creditors	89,109	85,839
	<u>2,343,510</u>	<u>1,001,537</u>

VS 106 Limited is committed to repay the aggregate of the Base Rate plus 2.75%, monthly, on the bank loan of £1,303,811 (2020: £1,296,750). 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.

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

	2021 £	2020 £
Bank loans and overdrafts	<u>–</u>	<u>1,296,750</u>

### 10. Related party transactions

An amount of £950,578 (2020: £915,687) is included in other creditors at 31 March 2021 owing to Ozbury Limited, a company which is wholly owned by K J Barber who is a director of VS 106 Limited. Of this balance, £775,358 (2020: £775,358) relates to funding provided to finance the purchase of the investment property and £175,220 (2020: £140,329) is the total amount of interest accrued to 31 March 2021. Interest on this loan is being charged at 4.5% per annum.

An amount of £1,303,811 (2020: £1,296,750) is included in bank loans and mortgages at 31 March 2021. As part of the terms for this bank loan, K J Barber is a guarantor and VS 506 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. Copies of the consolidated accounts that include the company may be obtained from 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.