

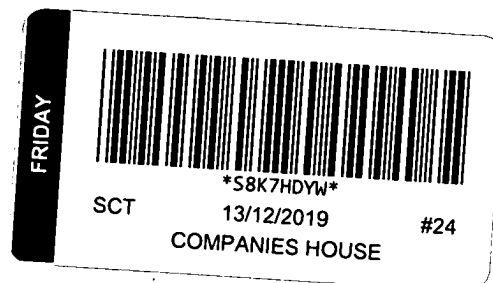
COMPANY NUMBER:  
10949506 (ENGLAND & WALES)

FCL FINANCE I LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

COMPANIES HOUSE  
EDINBURGH

13 DEC 2019

FRONT DESK



## FCL FINANCE I LIMITED

### INFORMATION

<b>Company number:</b>	10949506
<b>Directors:</b>	R S Anderson J D Lamb
<b>Registered office:</b>	City Pavilion 27 Bush Lane London EC4R 0AA
<b>Auditors:</b>	Scott-Moncrieff Exchange Place 3 Sempie Street Edinburgh EH3 8BL
<b>Tax advisors:</b>	Venthams 51 Lincoln's Inn Fields London WC2A 3NA
<b>Bankers:</b>	The Royal Bank of Scotland Drummond House Edinburgh EH12 9RH
<b>Solicitors:</b>	Boodle Hatfield LLP 240 Blackfriars Road London SE1 8NW
<b>Administrator:</b>	NCM Fund Services Limited 7 Melville Crescent Edinburgh EH3 7JA

**FCL FINANCE I LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**FCL FINANCE I LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The directors present their report of the company with the audited financial statements for the year ended 31 August 2019. The comparative figures are for the period from 6 September 2017, the date of incorporation, to 31 August 2018.

**Principal activities**

The principal activity of the company is the advancement of loans to property owners, developers and investors.

**Review of business and future developments**

The results for the year and financial position of the company are as shown in the accompanying financial statements.

Due to its small size, the directors of the General Partner are evaluating whether or not to wind up the fund and transfer its assets to a sister Fund resident in Luxembourg and managed by the Falco group of companies. No formal decision has been made as at the date of the accounts.

**Results**

Turnover for the year was £569,305 (2018: £239,439) and the profit on ordinary activities before taxation was £6,961 (2018: £5,823).

**Going concern**

The financial statements have been prepared on the going concern basis as the directors believe the company has adequate resources in place to continue in operation for the foreseeable future.

**Post balance sheet events**

No significant events have taken place since the year end.

**Directors**

R S Anderson  
J D Lamb

**FCL FINANCE I LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**Directors' responsibilities in respect of the preparation of the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safekeeping the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

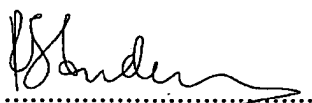
**Disclosure of information to auditors**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company exemptions**

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.



**Richard Anderson**  
Director

Date: 12 December 2019

**INDEPENDENT AUDITOR'S REPORT**  
**FCL FINANCE I LIMITED**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Opinion**

We have audited the financial statements of FCL Finance I Limited for the year ended 31 August 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT**  
**FCL FINANCE I LIMITED**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of the directors**

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT**  
**FCL FINANCE I LIMITED**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.

**Use of our report**

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, as a body, 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.



**Gareth Magee (Senior Statutory Auditor)**  
**for and on behalf of**  
**Scott Moncrieff, Statutory Auditor**  
Chartered Accountants  
Exchange Place 3  
Sempole Street  
Edinburgh  
EH3 8BL

Date: 12 December 2019



**FCL FINANCE I LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

		Year ended 31 August 2019 £	Period ended 31 August 2018 £
	Note		
<b>Turnover</b>	<b>2.4</b>		
Loan interest income		549,305	229,795
Loan fee income		20,000	9,644
		<u>569,305</u>	<u>239,439</u>
Interest expense		(549,305)	(229,795)
<b>Net loan income</b>		<b>20,000</b>	<b>9,644</b>
Administrative expenses		(12,405)	(3,127)
<b>Operating profit</b>	<b>3</b>	<u>7,595</u>	<u>6,517</u>
Bank charges		(634)	(154)
Fund set-up costs		-	(540)
<b>Profit on ordinary activities before taxation</b>		<b>6,961</b>	<b>5,823</b>
Taxation on profit on ordinary activities		(1,323)	(1,106)
<b>Profit for the year</b>		<u>5,638</u>	<u>4,717</u>

Turnover and operating profit derive entirely from continuing operations.

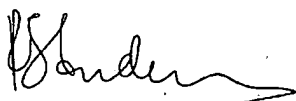
The notes on pages 8 to 12 form part of these financial statements.

**FCL FINANCE I LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	4	2,811,984	2,925,637
<b>Non-current assets</b>			
Accrued income	6	68,593	229,795
<b>Current assets</b>			
Accrued income	6	710,508	
Other assets	6	30,106	10,090
Cash at bank and in hand		382	4,946
		<hr/> 740,996	<hr/> 15,036
<b>Creditors: amounts falling due within one year</b>	7	(2,941,977)	(1,956)
<b>Net current (liabilities) / assets</b>		<hr/> (2,200,981)	<hr/> 13,080
<b>Creditors: amounts falling due after more than one year</b>	7	(669,240)	(3,163,794)
<b>Net assets</b>		<hr/> <b>10,356</b>	<hr/> <b>4,718</b>
<b>Capital and reserves</b>			
Share capital		1	1
Profit and loss account		<hr/> 10,355	<hr/> 4,717
		<hr/> <b>10,356</b>	<hr/> <b>4,718</b>

The financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

These financial statements were approved and authorised for issue on 12 December 2019.



**Richard Anderson**  
Director

Date: 12 December 2019

The notes on pages 8 to 12 form part of these financial statements.

**FCL FINANCE I LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. General Information**

FCL Finance I Limited is a private limited company, limited by shares, and incorporated and domiciled in England. Its registered number is 10949506. Its registered head office is City Pavilion, 27 Bush Lane, London, EC4R 0AA.

The principal activity of the company is the investment in loans relating to real estate related investments.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and in accordance with Section 1A – small entities.

The presentational currency of the financial statements is Great British Pound (GBP), which is the functional currency of the company.

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 – reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17.

**2.3 Going concern**

The directors are satisfied that the company has adequate availability of funding in order to continue as a going concern for the foreseeable future. Accordingly, the going concern basis of accounting has been adopted when preparing the financial statements.

**2.4 Turnover**

Turnover is comprised of loan interest income and loan fees. Interest is received by the company when the relevant loan is repaid but is recognised in the statement of comprehensive income on an accruals basis over the period of the loan. Loan fee income is recognised on an accruals basis.

**2.5 Investments**

Investments are comprised of interest-bearing loans which are made directly to property developers, investors and owners, secured against their property asset with a first or second charge.

They are measured initially at cost, including all expenditure made by the company in order to secure the loans. After initial recognition, investments are carried at fair value which is the net recoverable amount as assessed by the Directors. In making this assessment the financial health of the borrower and the quality of the security of the underlying property asset are taken into account.

**FCL FINANCE I LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2.5 Investments (continued)**

Any impairment to the recoverable amount is written off immediately to the income statement. Investments are derecognised when the loans are repaid in full by the borrower.

**2.6 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as other debtors and accruals, loans to borrowers and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received. Such instruments are interest bearing and interest is accrued over the term of the loans. Instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received. This is the case upon initial measurement and subsequent measurement.

**2.7 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income on an accruals basis.

**2.8 Debtors**

Debtors are shown after providing for any amounts which in the opinion of the partners may not be collected in full.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Creditors falling due after more than one year are accounted for at cost and relate to interest bearing loans from financial institutions.

**2.10 Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current reporting period using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

**3. Operating profit**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditor's remuneration – audit fees	1,850	1,800
	<u>1,850</u>	<u>1,800</u>

**FCL FINANCE I LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Investments - Loans**

The table below summarises the maturity profile of the investments:

**Investments**

	Less than 1 year £	1 to 2 years £	2 to 5 years £	Total £
<b>At 31 August 2018</b>	-	2,925,637	-	2,925,637
Loans advanced	-	600,647	-	600,647
Repaid in period	(714,300)	-	-	(714,300)
Transfer	2,925,637	(2,925,637)	-	-
<b>At 31 August 2019</b>	2,211,337	600,647	-	2,811,984

**5. Financial instruments**

	2019 £	2018 £
<b>Financial assets:</b>		
Financial assets measured at fair value	2,811,984	2,925,637
Financial assets measured at amortised cost	809,207	239,885
	<b>3,621,191</b>	<b>3,165,522</b>
<b>Financial liabilities:</b>		
Financial liabilities measured at fair value	(2,820,083)	(2,933,999)
Financial liabilities measured at amortised cost	(789,811)	(230,645)
	<b>(3,609,894)</b>	<b>(3,164,644)</b>

Financial assets measured at amortised cost comprise accrued interest receivable. Financial assets measured at fair value comprise loans receivable from investors.

Financial liabilities measured at amortised cost comprise accrued interest payable and accruals. Financial liabilities measured at fair value comprise loans due to a related party (Falco Investments LP).

**FCL FINANCE I LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Other assets**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year:</b>		
Accrued interest receivable	68,593	229,795
	<b>68,593</b>	<b>229,795</b>
<b>Amounts falling due within one year:</b>		
Accrued interest receivable	710,508	-
Prepayments and accrued income	30,106	10,090
	<b>740,614</b>	<b>10,090</b>

**7. Creditors**

**Amounts falling due within one year:**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Loan	2,219,436	-
Accrued interest payable	710,508	-
Accrued expenses	10,710	850
Corporation tax payable	1,323	1,106
	<b>2,941,977</b>	<b>1,956</b>

The loan is from Falco Investments LP. The loan and any interest accruing will be repaid in full in July 2020. The interest is charged at a rate of 17% per annum.

<b>Due after more than one year:</b>	<b>£</b>	<b>£</b>
Loan	600,647	2,933,999
Accrued interest payable	68,593	229,795
	<b>669,240</b>	<b>3,163,794</b>

The loan is from Falco Investments LP. The loan and any interest accruing will be repaid in full in April 2021. The interest is charged at a rate of 17% per annum.

**8. Employees**

The company had no employees during the year.

**FCL FINANCE I LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The company is controlled by Falco GP Limited, a private limited company registered in England and Wales. There are two directors of Falco GP Limited: Richard Anderson and Jonathon Lamb.

FCL Finance I Limited has a related party called Falco Investments LP. The partnership is controlled by its General Partner, Falco GP Limited, a private limited company registered in England and Wales.

Transactions with these companies are as follows:

During the year, the Partnership made a loan to the company of £600,684 (2018: £2,933,999) and the company repaid a loan of £714,600 (2018: £nil) to the Partnership; £2,820,083 (2018: £2,933,999) was outstanding at year end. A loan fee of £20,000 (2018: £9,644) was earned by the company during the year, £29,644 was still outstanding at the year-end (2018: £9,644).

**10. Ultimate parent company**

FCL Finance I Ltd is a wholly owned subsidiary and the ultimate parent company is Falco GP Limited, whose registered address is City Pavilion, 27 Bush Lane, London, EC4R 0AA.