

COMPANY REGISTRATION NUMBER: 01501386

Fiabrook Limited

Filleted Unaudited Financial Statements

31 March 2021

Fiabrook Limited**Balance Sheet****31 March 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	17,003,401	16,892,569
Investments	7	1,124,011	1,605,730
		-----	-----
		18,127,412	18,498,299
Current assets			
Debtors	8	150,571	64,105
Cash at bank and in hand		167,865	358,730
		-----	-----
		318,436	422,835
Creditors: amounts falling due within one year	9	(848,982)	(813,649)
		-----	-----
Net current liabilities		(530,546)	(390,814)
		-----	-----
Total assets less current liabilities		17,596,866	18,107,485
Creditors: amounts falling due after more than one year	10	(442,233)	(877,820)
Provisions			
Taxation including deferred tax		(1,355,020)	(1,212,386)
		-----	-----
Net assets		15,799,613	16,017,279
		-----	-----
Capital and reserves			
Called up share capital		20,000	20,000
Profit and loss account	13	15,779,613	15,997,279
		-----	-----
Shareholders funds		15,799,613	16,017,279
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These financial statements have been prepared and delivered 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'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

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.

Directors' 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 directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

Fiabrook Limited

Balance Sheet *(continued)*

31 March 2021

These financial statements were approved by the board of directors and authorised for issue on 2 November 2021 , and are signed on behalf of the board by:

Mr Rashid Karim

Mr Mohamed Iqbal Karim

Director

Director

Company registration number: 01501386

Fiabrook Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 6 Bruce Grove, London, N17 6RA.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and 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.

Going concern

The directors have assessed the company's ability to continue as a going concern which has included a review of expected future rental income and based on this review, the directors confirm that the company has adequate resources to continue to operate for the foreseeable future, which covers a period of not less than twelve months from the date the financial statements are approved, and accordingly the going concern basis continues to be appropriate for the preparation of the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key estimates and assumptions that have a significant impact on the amounts recognised in the financial statements are set out below. Valuation of investment properties: The valuation of the company's investment properties is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the company places on its investment properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

Revenue recognition

The turnover represents rents receivable from letting of investment properties during the year in accordance with the leases.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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:

Fixtures and fittings	-	25% straight line
Motor vehicles	-	25% reducing balance

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Government grants

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss. Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense.

Defined contribution plans

The company operates a defined contribution scheme for its employees under Auto Enrollment Scheme. Contributions payable are charged to the profit and loss account in the year they are payable.

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, 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. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 10 (2020: 10).

5. Tax on profit**Major components of tax expense**

	2021	2020
	£	£
Current tax:		
UK current tax expense	171,640	159,118

Deferred tax:

Origination and reversal of timing differences	142,634	–
	-----	-----
Tax on profit	314,274	159,118
	-----	-----

In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate would increase to 25%. As this proposal had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. Deferred tax has been provided at the rate of 19% as there is no intention to sell the revalued assets in the foreseeable future.

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19 % (2020: 19 %).

	2021	2020
	£	£
Profit on ordinary activities before taxation	393,608	108,947
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Profit on ordinary activities by rate of tax	74,786	20,700
Effect of expenses not deductible for tax purposes	5,131	7,668
Effect of capital allowances and depreciation	197	(2)
Impairment losses not deductible for tax purposes	91,526	130,752
Origination and reversal of timing differences	142,634	–
	-----	-----
Tax on profit	314,274	159,118
	-----	-----

6. Tangible assets

	Investment properties	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	16,870,628	145,863	4,113	17,020,604
Additions	119,500	3,906	–	123,406
	-----	-----	-----	-----
At 31 March 2021	16,990,128	149,769	4,113	17,144,010
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Depreciation				
At 1 April 2020	–	125,657	2,378	128,035
Charge for the year	–	12,140	434	12,574
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At 31 March 2021	–	137,797	2,812	140,609
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Carrying amount				
At 31 March 2021	16,990,128	11,972	1,301	17,003,401
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At 31 March 2020	16,870,628	20,206	1,735	16,892,569
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The investment properties were valued by the directors at fair value at the balance sheet date. In respect of investment properties stated at valuations, the comparable historical cost is £4,421,712 (2020: £4,302,212).

7. Investments

	Other investments other than loans £
Cost	
At 1 April 2020 and 31 March 2021	3,861,400

Impairment	
At 1 April 2020	2,255,670
Impairment losses	481,719

At 31 March 2021	2,737,389

Carrying amount	
At 31 March 2021	1,124,011

At 31 March 2020	1,605,730

The above comprises investments in building development projects.

8. Debtors

	2021	2020
	£	£
Trade debtors	87,584	49,585
Prepayments and accrued income	3,889	3,682
Other debtors	59,098	10,838
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	150,571	64,105
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9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	434,757	313,187
Accruals and deferred income	110,416	112,823
Corporation tax	171,640	159,118
Social security and other taxes	4,809	3,279
Other creditors	127,360	225,242
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	848,982	813,649
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Bank loans and overdrafts due within one year include an amount of £434,757 (2020: £313,187) for which security has been given. The bank loans are secured by a fixed charge over the company's investment properties.

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

	2021	2020
	£	£
Bank loans and overdrafts	242,233	677,820
Other loans	200,000	200,000
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	442,233	877,820
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Bank loans due after more than one year include an amount of £242,233 (2020: £677,820) for which security has been given. The bank loans are secured by a fixed charge over the company's investment properties.

11. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2021	2020
	£	£
Included in provisions	1,355,020	1,212,386
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The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Fair value adjustment of investment property	1,355,020	1,212,386
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12. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	56,346	—
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13. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses. Included in profit and loss reserve are distributable profits of £4,566,218 (2020: £4,641,250) and non-distributable profits of £11,213,395 (2020: £11,356,029) in respect of revaluation gains on investment properties.

14. Financial commitments

Operating lease commitments not included in the balance sheet amounts to £20,000 (2020: £20,000).

15. Events after the end of the reporting period

Bank loan of £376,560 was due within one year of the balance sheet date. The company is currently in the process of completing the refinancing of this loan over a new term of 5 years. Both parties have agreed to the refinancing subject to certain administrative procedures.

16. Related party transactions

During the year, the company carried out the following transactions with related parties. 1. Included in other creditors due within one year, is a loan of £107,034 (2020: £175,452) from directors' close family. This loan is interest-free and has no fixed repayment term. 2. The directors' have given personal guarantees in respect of the company's bank overdraft.

