

Registered number: 09152367

Halsey Garton Residential Ltd

8

Directors' Report and Financial Statements

For the Year Ended 31 March 2024

Halsey Garton Residential Ltd

Company Information

Directors

C H Maxlow-Tomlinson
D C Wilding
A S Orzieri

Registered number

09152367

Registered office

Woodhatch Place
11 Cockshot Hill
Reigate
Surrey
RH2 8EF

Independent auditor

Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Halsey Garton Residential Ltd

Contents

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 16
The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	17 - 18

**Directors' Report
For the Year Ended 31 March 2024**

The directors present their report and the financial statements for the year ended 31 March 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 directors are 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Principal activity

The principal activity of the company is the letting and operating of own or leased real estate.

Directors

The directors who served during the year were:

C H Maxlow-Tomlinson
V L J Royle (resigned 23 October 2024)
D C Wilding

On 23 October 2024 A S Orzieri was appointed as director.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Halsey Garton Residential Ltd

**Directors' Report (continued)
For the Year Ended 31 March 2024**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
A S Orzieri
Director
Date:

Halsey Garton Residential Ltd

Statement of Comprehensive Income For the Year Ended 31 March 2024

	Note	2024 £	2023 £
Turnover	4	1,309,990	1,299,251
Gross profit		1,309,990	1,299,251
Administrative expenses		(692,656)	(657,836)
Operating profit		617,334	641,415
Interest payable and similar expenses	7	(424,597)	(426,122)
Fair value gains and losses on investment properties	8	821,173	2,230,841
Profit before tax		1,013,910	2,446,134
Tax on profit		(183,935)	(625,937)
Profit for the financial year		829,975	1,820,197

The notes on pages 10 to 16 form part of these financial statements.

Halsey Garton Residential Ltd
Registered number: 09152367

Balance Sheet
As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Investment property	8	21,744,000	21,201,000
		21,744,000	21,201,000
Current assets			
Debtors	9	304,194	292,884
Cash at bank and in hand		730,723	401,084
		1,034,917	693,968
Creditors: amounts falling due within one year	10	(471,447)	(498,850)
Net current assets		563,470	195,118
Total assets less current liabilities		22,307,470	21,396,118
Creditors: amounts falling due after more than one year	11	(6,966,713)	(7,021,245)
Provisions for liabilities			
Deferred tax	12	(2,663,234)	(2,527,325)
		(2,663,234)	(2,527,325)
Net assets		12,677,523	11,847,548
Capital and reserves			
Called up share capital		4,087,109	4,087,109
Other equity reserve		8,066,116	7,571,690
Profit and loss account		524,298	188,749
		12,677,523	11,847,548

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
A S Orzieri
 Director
 Date:

The notes on pages 10 to 16 form part of these financial statements.

Halsey Garton Residential Ltd

Statement of Changes in Equity
For the Year Ended 31 March 2024

	Called up share capital	Other equity reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2022	4,087,109	5,819,671	120,571	10,027,351
Comprehensive income for the year				
Profit for the year	-	-	1,820,197	1,820,197
Unrealised revaluation gain	-	2,230,841	(2,230,841)	-
Deferred tax on unrealised revaluation gain	-	(478,822)	478,822	-
	4,087,109	7,571,690	188,749	11,847,548
At 1 April 2023				
Comprehensive income for the year				
Profit for the year	-	-	829,975	829,975
Unrealised revaluation gain	-	821,173	(821,173)	-
Deferred tax on unrealised revaluation gain	-	(205,293)	205,293	-
Realised gain following sale of leasehold investment property	-	(121,454)	121,454	-
	4,087,109	8,066,116	524,298	12,677,523

The notes on pages 10 to 16 form part of these financial statements.

The other equity reserve is not distributable.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

1. General information

Halsey Garton Residential Ltd is a private company limited by shares registered in England and Wales (Registered number: 09152367). The registered office and principal place of business is Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. 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.

The financial statements have been prepared on a historical cost basis and are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the company's forecast and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being a period of no less than 12 months from the date of approval of these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Turnover

Turnover from rents and other property related services is recognised when the property or service is provided, rather than when payments are received.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.



**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss and subsequently transferred to an Other Equity Reserve.

Gains and losses on the disposal of investment property are recognised within the Statement of Comprehensive Income. A transfer is made between the Other equity reserve and the Profit and loss reserve for any realised gain, net of deferred tax, made on sale.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are 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.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from other third parties, loans to related parties and investments in ordinary shares.

8

3. Judgments in applying accounting policies 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Investment properties

The valuations the Company places on its property portfolio require estimates to be made, including, but not limited to, market yields, expected rental values (ERVs), and void periods. These estimates are based on assumptions made by the valuers. The approach to the valuations and the amounts affected are set out in the accounting policies and note 8 on Investment Properties. The Company has valued the investment properties at fair value.

4. Turnover

An analysis of turnover by class of business is as follows:

	2024	2023
	£	£
Rental Income	1,219,807	1,202,740
Recharged Expenses	90,183	96,511
	<u>1,309,990</u>	<u>1,299,251</u>

All turnover arose within the United Kingdom.

Recharged expenses in the year have been derived from activities carried out on behalf of Surrey County Council, the parent undertaking.

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

5. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2024	2023
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	13,350	12,500

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2023 - £NIL).

7. Interest payable and similar expenses

	2024	2023
	£	£
Interest payable to group undertakings on loans received	424,597	426,122

8. Investment property

	Long term leasehold investment property £
Valuation	
At 1 April 2023	21,201,000
Additions at cost	43,827
Disposals	(322,000)
Surplus on revaluation	821,173
At 31 March 2024	21,744,000

The fair value of the investment properties as at 31 March 2024 was determined by the directors on an open market basis with the assistance of an independent valuer. The valuer in forming an opinion makes a series of assumptions, which are typically market related, such as net initial yields and expected rental values, and are based on the valuer's professional judgment. The valuer has sufficient current local and national knowledge of the particular property markets involved and has the skills and understanding to undertake the valuations competently. The external independent valuers hold a recognised and relevant professional qualification. Each property is considered a separate asset, based on its unique nature, characteristics and the risks of the property.

During the year the Company sold an investment property at its carrying value, recognising no gain or loss within the Statement of Comprehensive Income. The uplift in value from the date of purchase has been realised and has been transferred from the Other equity reserve to the Profit and loss reserve, net of deferred tax.

Notes to the Financial Statements
For the Year Ended 31 March 2024

8. Investment property (continued)

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2024 £	2023 £
Historic cost	<u>10,989,179</u>	<u>11,210,597</u>
	<u><u>10,989,179</u></u>	<u><u>11,210,597</u></u>



**Notes to the Financial Statements
For the Year Ended 31 March 2024**

9. Debtors

	2024	2023
	£	£
Trade debtors	98,894	12,617
Amounts owed by group undertakings	13,203	93,716
Other debtors	188,356	174,668
Prepayments and accrued income	3,741	11,883
	<u>304,194</u>	<u>292,884</u>

10. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Other loans	54,532	51,445
Trade creditors	30,995	3,004
Corporation tax	48,026	40,189
Other creditors	95,528	105,122
Accruals and deferred income	242,366	299,090
	<u>471,447</u>	<u>498,850</u>

Other loans comprise 4 loans payable to the parent, Surrey County Council. These loans are unsecured, have a fixed interest rate of 6% and are repayable 40 years from the drawdown date. Amounts are repayable annually in instalments and the carrying amount is included at amortised cost.

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

	2024	2023
	£	£
Other loans	<u>6,966,713</u>	<u>7,021,245</u>

Other loans comprise 4 loans payable to the parent, Surrey County Council. These loans are unsecured, have a fixed interest rate of 6% and are repayable 40 years from the drawdown date. Amounts are repayable annually in instalments and the carrying amount is included at amortised cost.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2024	2023
	£	£
Repayable by instalments	<u>6,835,745</u>	<u>6,906,875</u>
	<u>6,835,745</u>	<u>6,906,875</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2024**

12. Deferred taxation

	2024 £
At beginning of year	(2,527,325)
Charged to profit or loss	(135,909)
At end of year	(2,663,234)

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	(3,587)	(3,429)
Revaluations	(2,659,647)	(2,523,896)
	<u>(2,663,234)</u>	<u>(2,527,325)</u>

13. Related party transactions

The Company has taken advantage of the exemption in Section 33 of FRS 102 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group.

14. Controlling party

The Company is 100% owned by Surrey County Council. Surrey County Council draws up consolidated financial statements and its registered office is Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF.

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