

Company Registration No. 09152367 (England and Wales)

HALSEY GARTON RESIDENTIAL LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8

HALSEY GARTON RESIDENTIAL LTD

COMPANY INFORMATION

Directors N O' Connor
D C Wilding (Appointed 10 March 2021)

Company number 09152367

Registered office Woodhatch Place
11 Cockshot Hill
Reigate
Surrey
RH2 8EF

Auditor UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

8

HALSEY GARTON RESIDENTIAL LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 16

8

HALSEY GARTON RESIDENTIAL LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

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

Results and dividends

The results for the year are set out on page 7. Halsey Garton Residential Limited was dormant in previous years and commenced trading in the 8 months to 31 March 2021. A small loss of £30,104 was incurred as the entity was operational for less than a year and is still in the start-up phase.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N O' Connor

D C Wilding

E F Hawkins

(Appointed 10 March 2021)

(Resigned 21 December 2020)

Auditor

UHY Hacker Young were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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 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.

HALSEY GARTON RESIDENTIAL LTD
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

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

On behalf of the board

N. O'Connor

.....
N O' Connor

Director

Date: 4th October 2021

8

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF HALSEY GARTON RESIDENTIAL LTD

Opinion

We have audited the financial statements of Halsey Garton Residential Ltd (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 UK, including the FRC'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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF HALSEY GARTON RESIDENTIAL LTD

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year 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 where 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' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF HALSEY GARTON RESIDENTIAL LTD

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.
- we assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF HALSEY GARTON RESIDENTIAL LTD

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

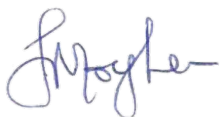
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in the audit procedures described above; any instance of non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error. Fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through an act of collusion that would mitigate internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Jessica Moorghen (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Date: 5 October 2021

Chartered Accountants
Statutory Auditor

HALSEY GARTON RESIDENTIAL LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	265,895	-
Administrative expenses		(201,455)	-
		<hr/>	<hr/>
Operating profit		64,440	-
Interest payable and similar expenses	5	(94,544)	-
		<hr/>	<hr/>
Loss before taxation		(30,104)	-
Tax on loss	6	-	-
		<hr/>	<hr/>
Loss for the financial year		<u>(30,104)</u>	<u>-</u>

HALSEY GARTON RESIDENTIAL LTD

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Investment properties	7	9,045,566			-
Current assets					
Debtors	8	326,003		1	
Cash at bank and in hand		133,127		-	
		<u>459,130</u>		<u>1</u>	
Creditors: amounts falling due within one year	9	<u>(378,854)</u>		<u>-</u>	
Net current assets			80,276		1
Total assets less current liabilities			9,125,842		1
Creditors: amounts falling due after more than one year	10	<u>(5,828,220)</u>		<u>-</u>	
Net assets			<u>3,297,622</u>		<u>1</u>
Capital and reserves					
Called up share capital	11	3,327,726		1	
Profit and loss reserves		(30,104)		-	
Total equity			<u>3,297,622</u>		<u>1</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 4th October 2021 and are signed on its behalf by:

N. O'Connor

.....

N O' Connor
Director

Company Registration No. 09152367

HALSEY GARTON RESIDENTIAL LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019		1	-	1
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	-	-
Balance at 31 March 2020		1	-	1
Year ended 31 March 2021:				
Loss and total comprehensive income for the year		-	(30,104)	(30,104)
Issue of share capital	11	3,327,725	-	3,327,725
Balance at 31 March 2021		3,327,726	(30,104)	3,297,622

HALSEY GARTON RESIDENTIAL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Halsey Garton Residential Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF.

1.1 Accounting convention

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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 not less than 12 months from the date of approval of these financial statements.

At the time of approving the financial statements, the directors have assessed the impact of Covid-19 on the business. While tenants have been impacted, the effect on the company to date has been low and the company has adequate resources to continue operational existence for the foreseeable future.

The company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Turnover

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

Expenses in relation to services received are recorded as expenditure when the services are received rather than when payments are made.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

HALSEY GARTON RESIDENTIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.4 Investment properties

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.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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.

HALSEY GARTON RESIDENTIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to calculate the amount are those enacted by the balance sheet date.

Deferred tax

The tax expense recorded in the profit and loss account represents the sum of tax currently payable and deferred tax. Deferred tax is the tax expected to be payable or recoverable based on timing differences between the company's net profits recorded in the financial statements and taxable profits for tax computation purposes.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.10 Loans between group companies

Loans between group companies are measured at amortised cost.

HALSEY GARTON RESIDENTIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determined whether leases entered into by the company are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The investment properties values have not moved significantly between the purchase dates and the year end date. This judgement has been made in light of prevailing property market conditions.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Rental income	204,846	-
Recharged expenses	61,049	-
	<u>265,895</u>	<u>-</u>

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

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	<u>-</u>	<u>-</u>

HALSEY GARTON RESIDENTIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Interest payable and similar expenses

	2021	2020
	£	£
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	94,544	-

Interest is payable on intragroup loans between Halsey Garton Residential Ltd and Surrey County Council.

6 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Loss before taxation	(30,104)	-
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(5,720)	-
Tax effect of expenses that are not deductible in determining taxable profit	39	-
Group relief	5,681	-
Taxation charge for the year	-	-

7 Investment property

	2021
	£
Fair value	
At 1 April 2020	-
Additions	9,045,566
At 31 March 2021	9,045,566

HALSEY GARTON RESIDENTIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Investment property

The fair value of the investment properties is deemed to be the purchase price plus attributable costs as at 31 March 2021 as they were acquired at an open market value basis by reference to market evidence of transaction prices for similar properties during the year. The investment properties acquired comprise long leaseholds to be held for a term of 40 years from the commencement date specified in the purchase agreements.

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	168,405	-
Other debtors	151,587	1
Prepayments and accrued income	6,011	-
	<u>326,003</u>	<u>1</u>

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other borrowings	37,904	-
Trade creditors	2,000	-
Other creditors	126,966	-
Accruals and deferred income	211,984	-
	<u>378,854</u>	<u>-</u>

Intragroup loans totalling £5,866,124 with a fixed interest rate of 6% have been provided by Surrey County Council and are repayable 40 years from the drawdown date. These are repayable annually in instalments and the carrying amount as at 31 March 2021 is included at amortised cost. The amounts payable no later than a year is £37,904.

10 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	<u>5,828,220</u>	<u>-</u>

HALSEY GARTON RESIDENTIAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Creditors: amounts falling due after more than one year

Intragroup loans totalling £5,866,124 with a fixed interest rate of 6% have been provided by Surrey County Council and are repayable 40 years from the drawdown date. These are repayable annually in instalments and the carrying amount as at 31 March 2021 is included at amortised cost. The amounts payable later than a year is £5,828,220.

11 Called up share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
3,327,726 ordinary shares of £1 each	3,327,726	1	-	-
Issued and fully paid				
3,327,726 ordinary shares of £1 each	<u>3,327,726</u>	<u>1</u>	<u>3,327,726</u>	<u>1</u>

During the year, 3,327,725 ordinary shares were issued at a nominal value of £1.00 each.

12 Related party disclosures

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

The only related party transactions were intra-group transactions between SCC, other SCC subsidiaries and Halsey Garton Property Residential Ltd and these have not been disclosed in accordance with section 33.1A of FRS 102.

13 Post balance sheet events

A long-term lease was purchased on seven properties from Surrey County Council (SCC) for £1,136,693 on 14 July 2021. A further eight properties are due to be purchased from SCC during August 2021. The price is yet to be agreed.

This page is intentionally left blank