

Registered number: 09152367

Halsey Garton Residential Ltd

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Directors' Report and Financial Statements

For the Year Ended 31 March 2023

Halsey Garton Residential Ltd

Company Information

Directors	C H Maxlow-Tomlinson (appointed 27 March 2023) V L J Royle (appointed 16 June 2022) N L O'Connor (resigned 16 June 2022) D C Wilding
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

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**Directors' Report
For the Year Ended 31 March 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

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 (appointed 27 March 2023)
V L J Royle (appointed 16 June 2022)
N L O'Connor (resigned 16 June 2022)
D C Wilding

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 2023**

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.

V. Royle

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V L J Royle
Director
Date: 20 July 2023

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Independent Auditor's Report to the Members 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 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 2023 and of its profit 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 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 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.

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.

Independent Auditor's Report to the Members of Halsey Garton Residential Ltd (continued)

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 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 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 directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 to the Members of Halsey Garton Residential Ltd (continued)

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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Landlord and Tenant legislation, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Identifying the controls that management has in place to prevent and detect fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation and journals raised post year end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

Independent Auditor's Report to the Members of Halsey Garton Residential Ltd (continued)

- collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.



Graham Hunt BA FCA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Horsham
Date: 4 August 2023

Halsey Garton Residential Ltd

Statement of Comprehensive Income For the Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	<u>1,299,251</u>	<u>1,054,409</u>
Gross profit		1,299,251	1,054,409
Administrative expenses		<u>(657,836)</u>	<u>(478,156)</u>
Operating profit		641,415	576,253
Interest payable and similar expenses	7	(426,122)	(385,649)
Fair value gains and losses on investment properties	8	<u>2,230,841</u>	<u>7,759,562</u>
Profit before tax		2,446,134	7,950,166
Tax on profit		<u>(625,937)</u>	<u>(1,979,820)</u>
Profit for the financial year		<u>1,820,197</u>	<u>5,970,346</u>

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 10 to 15 form part of these financial statements.

Halsey Garton Residential Ltd
Registered number: 09152367

Balance Sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investment property	8	21,201,000	18,903,088
		21,201,000	18,903,088
Current assets			
Debtors	9	292,884	223,554
Cash at bank and in hand		401,084	363,093
		693,968	586,647
Creditors: amounts falling due within one year	10	(498,850)	(448,116)
Net current assets		195,118	138,531
Total assets less current liabilities		21,396,118	19,041,619
Creditors: amounts falling due after more than one year	11	(7,021,245)	(7,072,691)
Provisions for liabilities			
Deferred tax	12	(2,527,325)	(1,941,577)
		(2,527,325)	(1,941,577)
Net assets		11,847,548	10,027,351
Capital and reserves			
Called up share capital		4,087,109	4,087,109
Other equity reserve		7,571,690	5,819,671
Profit and loss account		188,749	120,571
		11,847,548	10,027,351

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:

V. Royle

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V L J Royle

Director

Date: 20 July 2023

The notes on pages 10 to 15 form part of these financial statements.

Halsey Garton Residential Ltd

**Statement of Changes in Equity
For the Year Ended 31 March 2023**

	Called up share capital	Other equity reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	3,327,726	-	(30,104)	3,297,622
Comprehensive income for the year				
Profit for the year	-	-	5,970,346	5,970,346
Contributions by and distributions to owners				
Issue of share capital	759,383	-	-	759,383
Unrealised revaluation gain	-	5,819,671	(5,819,671)	-
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	-
At 31 March 2023	4,087,109	7,571,690	188,749	11,847,548

The notes on pages 10 to 15 form part of these financial statements.

The other equity reserve is not distributable.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

1. General information

Halsey Garton Residential Limited 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 2023**

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.

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.

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.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

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:

	2023	2022
	£	£
Rental Income	1,202,740	981,667
Recharged Expenses	96,511	72,742
	<u>1,299,251</u>	<u>1,054,409</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.

5. Auditor's remuneration

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

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	12,500	13,750

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £NIL).

Notes to the Financial Statements
For the Year Ended 31 March 2023

7. Interest payable and similar expenses

	2023 £	2022 £
Interest payable to group undertakings on loans received	426,122	385,649
	<u>426,122</u>	<u>385,649</u>

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8. Investment property

	Long term leasehold investment property £
Valuation	
At 1 April 2022	18,903,088
Additions at cost	67,071
Surplus on revaluation	2,230,841
At 31 March 2023	<u><u>21,201,000</u></u>

The fair value of the investment properties as at 31 March 2023 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.

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

	2023 £	2022 £
Historic cost	11,210,597	11,143,526
	<u>11,210,597</u>	<u>11,143,526</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

9. Debtors

	2023	2022
	£	£
Trade debtors	12,617	27,975
Amounts owed by group undertakings	93,716	16,080
Other debtors	174,668	172,975
Prepayments and accrued income	11,883	6,524
	<u>292,884</u>	<u>223,554</u>

10. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	51,445	48,533
Trade creditors	3,004	1,492
Amounts owed to group undertakings	-	23,667
Corporation tax	40,189	38,243
Other creditors	105,122	97,252
Accruals and deferred income	299,090	238,929
	<u>498,850</u>	<u>448,116</u>

Other loans comprise 4 loans payable to the parent, Surrey County Council. These loans 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

	2023	2022
	£	£
Other loans	7,021,245	7,072,691
	<u>7,021,245</u>	<u>7,072,691</u>

Other loans comprise 4 loans payable to the parent, Surrey County Council. These loans 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.

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

12. Deferred taxation

	2023 £
At beginning of year	(1,941,577)
Charged to profit or loss	(585,748)
At end of year	<u>(2,527,325)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(3,429)	(1,686)
Revaluations	(2,523,896)	(1,939,891)
	<u>(2,527,325)</u>	<u>(1,941,577)</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.