

COMPANY REGISTRATION NUMBER: 00600416

FARMHOLD INVESTMENTS LIMITED

Financial Statements

For the year ended

30 November 2019



COHEN ARNOLD
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

FARMHOLD INVESTMENTS LIMITED

Financial Statements

Year ended 30 November 2019

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FARMHOLD INVESTMENTS LIMITED

Officers and Professional Advisers

THE BOARD OF DIRECTORS	Mr E Englander Mrs H Z Weiss
COMPANY SECRETARY	Mrs H Z Weiss
REGISTERED OFFICE	New Burlington House 1075 Finchley Road London NW11 0PU
AUDITOR	Cohen Arnold Chartered accountants & statutory auditor New Burlington House 1075 Finchley Road London NW11 0PU

FARMHOLD INVESTMENTS LIMITED

Directors' Report

Year ended 30 November 2019

The directors present their report and the financial statements of the company for the year ended 30 November 2019.

Principal activities

The principal activity of the Company during the year was property investment which has remained unchanged during the year and no change is envisaged in the immediate future.

Directors

The directors who served the company during the year were as follows:

Mr E Englander
Mrs S Englander
Mrs H Z Weiss

Mrs S Englander passed away on 23 September 2020.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 14 to the financial statements.

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 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 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 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 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.

FARMHOLD INVESTMENTS LIMITED

Directors' Report *(continued)*

Year ended 30 November 2019

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

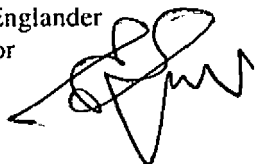
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

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

This report was approved by the board of directors on 26 NOVEMBER 2020 and signed on behalf of the board by:

Mr E Englander
Director



FARMHOLD INVESTMENTS LIMITED

Independent Auditor's Report to the Members of Farmhold Investments Limited

Year ended 30 November 2019

Opinion

We have audited the financial statements of Farmhold Investments Limited (the 'company') for the year ended 30 November 2019 which comprise the profit and loss account, statement of income and retained earnings, balance sheet 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 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 30 November 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

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

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

However, due to the current macro-economic impact of the Covid-19 pandemic and the higher level of uncertainty observed in the economy, including the uncertainty surrounding Brexit and the associated potential financial costs, we cannot predict all future events or conditions. As subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Emphasis of matter

We draw your attention to Note 8 of the Financial Statements, which discloses the uncertainty with regards to the valuation of investment properties as at the balance sheet date. Our opinion is not modified in respect of this matter.

FARMHOLD INVESTMENTS LIMITED

Independent Auditor's Report to the Members of Farmhold Investments Limited

(continued)

Year ended 30 November 2019

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. 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.

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

We have nothing to report in this regard.

Opinions 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.

FARMHOLD INVESTMENTS LIMITED

Independent Auditor's Report to the Members of Farmhold Investments Limited

(continued)

Year ended 30 November 2019

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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.



Asher Sternlicht (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

20 NOVEMBER 2020

FARMHOLD INVESTMENTS LIMITED**Profit and Loss Account****Year ended 30 November 2019**

	Note	2019 £	2018 £
Turnover	4	473,325	473,948
Cost of sales		<u>(131,720)</u>	<u>(130,102)</u>
Gross profit		341,605	343,846
Administrative expenses		(70,237)	(354,281)
Other operating income		1,986	1,983
Net valuation gains on investment properties		<u>250,000</u>	<u>350,000</u>
Operating profit		523,354	341,548
Profit before taxation	6	523,354	341,548
Tax on profit	7	<u>(96,842)</u>	<u>(55,566)</u>
Profit for the financial year		<u>426,512</u>	<u>285,982</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

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

FARMHOLD INVESTMENTS LIMITED
Statement of Income and Retained Earnings
Year ended 30 November 2019

	Note	2019 £	2018 £
Profit for the financial year and total comprehensive income		426,512	285,982
Dividends paid and payable		–	(1,700,000)
Retained earnings at the start of the year		<u>72,579,796</u>	<u>73,993,814</u>
Retained earnings at the end of the year		<u>73,006,308</u>	<u>72,579,796</u>

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

FARMHOLD INVESTMENTS LIMITED

Balance Sheet

30 November 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	8	8,650,000	8,400,000
Current assets			
Debtors	9	67,061,245	66,782,598
Creditors: amounts falling due within one year	10	(126,083)	(71,448)
Net current assets		<u>66,935,162</u>	<u>66,711,150</u>
Total assets less current liabilities		<u>75,585,162</u>	<u>75,111,150</u>
Provisions	11	(330,895)	(283,395)
Net assets		<u>75,254,267</u>	<u>74,827,755</u>
Capital and reserves			
Called up share capital	12	115	115
Share premium account		2,247,844	2,247,844
Profit and loss account		<u>73,006,308</u>	<u>72,579,796</u>
Shareholders funds		<u>75,254,267</u>	<u>74,827,755</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 20 ~~NOVEMBER 2020~~ and are signed on behalf of the board by:

Mr E Englander
Director

Company registration number: 00600416

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

FARMHOLD INVESTMENTS LIMITED

Notes to the Financial Statements

Year ended 30 November 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

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 outbreak of the Covid-19 has resulted in a downturn in the business operations. The pandemic has had a negative impact on the UK economy as a whole, including on the company's revenue and operations. Uncertainty surrounding Brexit and the associated potential financial costs may also have a negative impact. These risks are beyond the control of the company and represent uncertainty to the revenue and cash flow of the company for the foreseeable future.

Notwithstanding the uncertainty, the financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the company and available sources of finance.

Judgements 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The valuation of investment properties is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions. Therefore the valuations 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 difficult market or economic conditions.

FARMHOLD INVESTMENTS LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 November 2019

3. Accounting policies *(continued)*

Turnover

The turnover of the company is represented by rents and charges receivable in respect of its investment properties

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference; using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition -

- Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is determined by the Directors in consultation with RICS qualified surveyors, based on their understanding of property market conditions and the specific property concerned, using a sales valuation approach, derived from recent comparable transactions and market yields, adjusted by applying discounts to reflect status of occupation and condition.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

FARMHOLD INVESTMENTS LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 November 2019

3. Accounting policies *(continued)*

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments.

The company has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

FARMHOLD INVESTMENTS LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 November 2019

4. Turnover

The turnover of the company is represented by rents and charges receivable in respect of its investment properties.

The gross profit is comprised as follows:

	2019 £	2018 £
Rents and charges receivable	473,325	473,948
Property outgoings	<u>(131,720)</u>	<u>(130,102)</u>
Net rental income	<u>341,605</u>	<u>343,846</u>

5. Employee numbers

The average number of persons employed by the company during the year amounted to 1 (2018: Nil).

The Directors received no emoluments for the year under review.

6. Profit before taxation

Profit before taxation is stated after charging:

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>4,225</u>	<u>4,080</u>

7. Tax on profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	49,342	–
Deferred tax:		
Origination and reversal of timing differences	<u>47,500</u>	<u>55,566</u>
Tax on profit	<u>96,842</u>	<u>55,566</u>

FARMHOLD INVESTMENTS LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 November 2019

8. Tangible assets

	Freehold investment properties £
Valuation	
At 1 December 2018	8,400,000
Revaluations	250,000
At 30 November 2019	8,650,000
Carrying amount	
At 30 November 2019	8,650,000
At 30 November 2018	8,400,000

The company's investment properties are valued by Mr E Englander (a Director) in consultation with RICS qualified surveyors based on his understanding of property market conditions using a sales valuation approach, derived from recent comparable transactions and market yields, adjusted by applying discounts to reflect status of occupation and condition.

The historical cost of the Company's investment properties is £6,394,132 (2018: £6,394,132).

In accordance with the Company's stated accounting policy (Note 3) no depreciation has been provided in respect of the Freehold properties which are held for investment purposes.

The Covid-19 pandemic, together with the associated lockdown, has impacted market activity. Given these unprecedented circumstances, the Directors' valuations are deemed to be materially uncertain on the basis that the assumptions upon which they are based may prove to be inaccurate. Consequently, a higher degree of caution should be attached to the valuations than would normally be the case.

9. Debtors

	2019 £	2018 £
Trade debtors	29,599	49,042
Amounts owed by group undertakings	78,519	78,519
Other debtors	66,953,127	66,655,037
	67,061,245	66,782,598

Included in Other debtors is an amount of £66.93m due from a related company, Better Properties Limited, of which the Directors of this Company are also Directors. The loan is interest free and payable after more than one year. In the opinion of the Directors, the loan is fully recoverable.

FARMHOLD INVESTMENTS LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 November 2019

10. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	43,660	46,785
Corporation tax	49,342	–
Social security and other taxes	2,083	–
Other creditors	30,998	24,663
	<u>126,083</u>	<u>71,448</u>

11. Provisions

	Deferred tax £
At 1 December 2018	283,395
Movement in the year	47,500
At 30 November 2019	<u>330,895</u>

The provision for deferred tax is in relation to timing differences in respect of the fair value adjustment of investment properties.

12. Called up share capital

Issued, called up and fully paid

	2019		2018
	No.	£	No. £
Ordinary shares of £1 each	<u>115</u>	<u>115</u>	<u>115</u> <u>115</u>

13. Contingent liabilities and guarantees

The Company has guaranteed and charged its investment properties for a bank loan of a related Company. The loan facility of £28.7m was entered into in July 2017 of which £27.5m was outstanding at the year end.

14. Events after the end of the reporting period

The Covid-19 pandemic is expected to severely affect the wider macro economy and the specific market the company operates in. It is possible that property valuations and rental income will both decline due to the pandemic and associated lockdown. The full financial effects cannot currently be quantified.

FARMHOLD INVESTMENTS LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 November 2019

15. Related party transactions

(i) Amounts owed by group undertakings represents amounts due from Citywise Limited, the parent undertaking. The loan is interest free and payable after more than one year.

(ii) The related Company referred to in Note 13 is Better Properties Limited.

Additional Related Party information is given in Note 9.

16. Parent undertaking and controlling party

The parent undertaking is Citywise Limited, a company registered in England.