

Falcombe Holdings Limited
Annual report and financial statements
for the year ended 31 October 2018

Registered number: 6429116



Falcombe Holdings Limited

Annual report and financial statements

for the year ended 31 October 2018

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Falcombe Holdings Limited

Directors' report for the year ended 31 October 2018

The directors present their annual report together with the audited financial statements of the company for the year ended 31 October 2018.

Principal activities

The principal activity of the company is that of a holding company.

Results and dividends

The results for the year are set out on page 6. The directors do not propose the payment of a dividend in 2018 (2017: £nil).

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors of the company who served during the year and up to the date of signing the financial statements were:

I Imrie (resigned 31 December 2018)

DJ Horrocks

WEP Noble (appointed 31 December 2018)

Qualifying third party indemnity provisions

Following shareholder approval, the company has put in place an indemnity for its directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This was in force during the financial year and also at the date of signing the financial statements.

Small companies exemption

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

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

Falcombe Holdings Limited

Directors' report for the year ended 31 October 2018 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

By order of the board



~~PN Blain~~

Company secretary

22 October 2019

Falcombe Holdings Limited

Independent auditors' report to the members of Falcombe Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Falcombe Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 October 2018; the Income statement, the Statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Falcombe Holdings Limited

Independent auditors' report to the members of Falcombe Holdings Limited (continued)

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 October 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Falcombe Holdings Limited

Independent auditors' report to the members of Falcombe Holdings Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
22 October 2019

Falcombe Holdings Limited

Income statement for the year ended 31 October 2018

	Note	2018 £'000	2017 £'000
Administrative expenses		-	(2)
Operating result/(loss)		-	(2)
Income from fixed asset investments	2	618	-
Profit/(loss) before taxation	1	618	(2)
Tax on profit/(loss)	3	-	-
Profit/(loss) for the financial year		618	(2)

All amounts relate to continuing operations.

The company has no recognised gains or losses other than those included in the results above, and therefore no statement of recognised gains and losses has been prepared.

There is no material difference between the profit/(loss) before taxation and the profit/(loss) for the financial years stated above and their historical cost equivalents.

Falcombe Holdings Limited

Statement of financial position as at 31 October 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	4	2,717	2,717
Current assets			
Investments	5	-	-
Trade and other receivables	6	1,218	613
Cash at bank and in hand		10	-
		1,228	613
Creditors: amounts falling due within one year	7	(3)	(6)
Net current assets		1,225	607
Total assets less current liabilities		3,942	3,324
Capital and reserves			
Called up share capital	8	3,034	3,034
Retained earnings		908	290
Total shareholders' funds		3,942	3,324

The financial statements on pages 6 to 17 were approved by the board of directors on 22 October 2019 and are signed on its behalf by:



DJ Horrocks
Director

Falcombe Holdings Limited
Registered number: 6429116

Falcombe Holdings Limited

Statement of changes in equity for the year ended 31 October 2018

	Called up share capital £'000	Retained funds £'000	Total equity £'000
Balance as at 1 November 2016	3,034	292	3,326
Total comprehensive expense for the year	-	(2)	(2)
Balance as at 31 October 2017	3,034	290	3,324
Balance as at 1 November 2017	3,034	290	3,324
Total comprehensive income for the year	-	618	618
Balance as at 31 October 2018	3,034	908	3,942

Falcombe Holdings Limited

Statement of accounting policies

General Information

Falcombe Holdings Limited ('the Company') is a holding company.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 1A Dukesway Court, Team Valley, Gateshead, NE11 0PJ.

Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom".

Basis of accounting

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities."

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the parent company financial statements, includes the Company's cash flows.

Consolidation

The company is a wholly-owned subsidiary of Red Poppy (UK) Limited and is included in the consolidated financial statements of that company. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of s400 of the Companies Act 2006.

Fixed asset investments

Fixed asset investments are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Current asset investments

Current asset investments are recorded at current cost, which equates to market value. Any profit or loss arising from the valuation of current asset investments is credited or debited to the revaluation reserve.

Falcombe Holdings Limited

Statement of accounting policies (continued)

Income from shares in group investments and other investments

Income from shares in group undertakings is recognised when approval has been received for payment of the dividend.

Income from the investment in Orion Entertainments Limited is accounted for as and when it becomes due.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the company's key sources of estimation uncertainty:

Impairment of fixed asset investments

The directors are of the view that the only critical accounting judgement is the valuation of fixed asset investments.

Impairment reviews are performed on an annual basis and where there has been an indication of impairment, fixed asset investments will be written down to reflect their recoverable value. The company performs impairment tests by reviewing the net assets of the subsidiary versus the carrying value of the investment.

Falcombe Holdings Limited

Notes to the financial statements for the year ended 31 October 2018

1 Profit/(loss) before taxation

The audit fee in the current and prior year has been borne by the parent company.

There were no employees employed by the company in the year (2017: nil).

None of the directors received any emoluments for their services to the company (2017: £nil).

2 Income from fixed asset investments

	2018	2017
	£'000	£'000
Dividends from group companies	618	-

3 Tax on profit/(loss)

(a) Analysis of tax charge in the year

	2018	2017
	£'000	£'000
Current tax		
Adjustments in respect of prior years	-	-
Total current tax	-	-
Tax on profit/(loss)	-	-

Falcombe Holdings Limited

Notes to the financial statements for the year ended 31 October 2018 (continued)

3 Tax on profit/(loss (continued))

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: same as) the standard rate of corporation tax in the UK of 19% (2017: 19.41%). The differences are explained below:

	2018 £'000	2017 £'000
Profit/(loss before taxation	618	(2)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.41%)	117	-
Effects of:		
Income not taxable	(117)	-
Total tax charge for the year	-	-

(c) Factors that may affect future tax charges

The 19% standard rate of corporation tax in the UK has been in effect since 1 April 2017. Accordingly, the company's profits for this accounting year are taxed at a rate of 19%.

The UK corporation tax rate will be further reduced to 17% for the financial year beginning 1 April 2020 and this was substantively enacted in the Finance Act 2016. As the majority of the temporary differences are expected to reverse when the rate is 17%, this has been applied to the deferred tax assets and liabilities arising at the balance sheet date.

4 Investments

	2018 £'000	2017 £'000
Shares in group undertakings	2,697	2,697
Other investments	20	20
	2,717	2,717

(a) Shares in group undertakings

	£'000
Cost and net book amount	
At 1 November 2017 and 31 October 2018	2,697

Falcombe Holdings Limited

4 Investments (continued)

Details of the company's subsidiary undertakings as at 31 October 2018, all of which, unless otherwise indicated, are wholly owned, registered in England, operate in the United Kingdom and have the registered address of 1A Dukesway Court, Team Valley, Gateshead NE11 0PJ, are as follows:

Name	Nature of business	Country of incorporation
i) Directly owned		
Falcombe	Holding company	United Kingdom
Standard Aviation Limited	Non-trading	United Kingdom
Mechanised Project Management	Property and ride rentals	United Kingdom
DC Bingo Limited	Holding company	United Kingdom
Steakhouse Holdings Limited	Holding company	United Kingdom
DC Gaming Limited	Holding company	United Kingdom
Addbudget Limited	Holding company	United Kingdom
Wm. Noble (Automatics) Limited	Property holding company	United Kingdom
QNGC Limited	Non-trading	United Kingdom
Falcombe Dormants Ltd	Holding company	United Kingdom
Falcombe Trading Ltd	Non-trading	United Kingdom
Crossco (1243) Ltd	Non-trading	United Kingdom

Erudicus Ltd was put into voluntary liquidation in July 2018.

Name	Nature of business	Country of incorporation
ii) Indirectly owned		
Matchurban	Non-trading	United Kingdom
Leaguenotion	Provision of leisure services	United Kingdom
Linkfield Estates Limited	Holding company	United Kingdom
Piccadilly	Non-trading	United Kingdom
Southern Amusements	Non-trading	United Kingdom
Sun Valley Holdings	Property leasing	United Kingdom
Sun Valley Leisure	Non-trading	United Kingdom
Sun Valley Social Clubs	Non-trading	United Kingdom
Crossco No. 3 Unlimited	Property management	United Kingdom
Welbeck C P	Property holding company	United Kingdom
OKT Company Limited	Non-trading	United Kingdom
ATFC Limited	Provision of leisure services	United Kingdom
B.J.'s Leisure Limited	Property management	United Kingdom
Clennell Properties Limited	Property management	United Kingdom
TC Projects Limited	Non-trading	United Kingdom
Edenpace Limited	Non-trading	United Kingdom

Falcombe Holdings Limited

Notes to the financial statements for the year ended 31 October 2018 (continued)

4 Investments (continued)

Name	Nature of business	Country of incorporation
ii) Indirectly owned		
Michaeljohn Group Limited	Hair salon operator	United Kingdom
David Brown Automotive Limited	Design and development of luxury cars	United Kingdom
Falcombe Trading No. 1 Limited	Non-trading	United Kingdom
Falcombe Trading No. 2 Limited	Non-trading	United Kingdom
SB (North Shields) Limited	Non-trading	United Kingdom
Leisure Centre Holdings	Holding company	United Kingdom
Golfswing	Non-trading	United Kingdom
Crossco 173	Non-trading	United Kingdom
The Southern Amusements & General Trading Company (1945)	Non-trading	United Kingdom
Mitlux	Non-trading	United Kingdom
Falcombe Nominees Limited	Holding company	United Kingdom
Welbeck CP Holding Limited	Holding company	United Kingdom
Crossco No. 4 Unlimited	Non-trading	United Kingdom
Welbeck CP Nominee Limited	Holding company	United Kingdom
NZR Limited	Provision of leisure services	United Kingdom
Frith Street LLP	Non-trading	United Kingdom
Tuscany Food Company Limited	Non-trading	United Kingdom
Summit Leisure (Northumberland) Limited	Non-trading	United Kingdom
Summit Leisure (Clayton) Limited	Non-trading	United Kingdom
Steakhouse Group Limited	Holding company	United Kingdom
Aberdeen Angus Steakhouse Limited	Non-trading	United Kingdom
Golftee LP6 Limited	Non-trading	United Kingdom
Crossco (1411) Limited	Non-trading	United Kingdom
Crossco (1324) Limited	Property development	United Kingdom
Crosco (888) Limited	Non-trading	United Kingdom
Golftee LP 7 Limited	Non-trading	United Kingdom
Michaeljohn (UK) Limited	Non-trading	United Kingdom
Marmalade Kids Limited ⁽¹⁾	Non-trading	United Kingdom
Barry Noble Enterprises	Non-trading	United Kingdom
Business Courtesy Services BV*	Non-trading	The Netherlands
NZR LLC**	Non-trading	United States of America

Registered offices:

* Schiekade 830, 3032 AL in Rotterdam, the Netherlands.

** 200 S. Biscayne BLVD, Suite 3200, Miami, Florida 33131

Falcombe Holdings Limited

4 Investments (continued)

Welbeck CP Holding Ltd was sold on 27 March 2019 to a related party.

The directors believe that the carrying value of the investments is supported by their underlying net assets or the value of their underlying businesses.

(b) Other investments

	£'000
Cost	
At 1 November 2017 and 31 October 2018	150
Impairment	
At 1 November 2017 and 31 October 2018	130
Net book amount	
At 31 October 2018	20
At 31 October 2017	20

The other investment represents a 50% holding in the issued share capital of Orion Entertainments Limited, a company registered in England which is non-trading. This has not been treated as an associated undertaking as, in the opinion of the directors, the company does not, at present, exercise significant influence over its operations.

Falcombe Holdings Limited

Notes to the financial statements for the year ended 31 October 2018 (continued)

5 Current asset investments

	Investments £'000
Cost	
At 1 November 2017 and at 31 October 2018	3,300
Provision against diminution in value	
At 1 November 2017 and 31 October 2018	3,300
Net book amount	
At 31 October 2018	-
At 31 October 2017	-

The provision against diminution in value relates to the group's shareholding in Marwyn Management Partners plc, which was delisted from the AIM market of the London Stock Exchange on 18 August 2016.

6 Trade and other receivables

	2018 £'000	2017 £'000
Amounts owed by group undertakings	1,218	613

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

7 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	-	4
Other creditors	2	2
Accruals	1	-
Total creditors	3	6

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Falcombe Holdings Limited

Notes to the financial statements for the year ended 31 October 2018 (continued)

7 Creditors: amounts falling due within one year (continued)

The company has given a cross guarantee on the obligations by fellow group undertakings under a facilities agreement with the group's bankers. At 31 October 2018 the liability was £nil (2017: £5,929,000).

8 Called up share capital

	2018	2017
	£'000	£'000
Authorised		
5,000,000 (2017: 5,000,000) ordinary shares of £1 each	5,000	5,000
Allotted and fully paid		
3,034,040 (2017: 3,034,040) ordinary shares of £1 each	3,034	3,034

9 Ultimate parent undertaking

The immediate parent undertaking is Red Poppy (UK) Limited, a company registered in England. The ultimate parent undertaking is RPFJ Limited, a company registered in Jersey. Red Poppy (UK) Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 October 2018 and RPFJ Limited the parent company of the largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Red Poppy (UK) Limited can be obtained from the Company secretary, 1A Dukesway Court, Team Valley, Gateshead NE11 0PJ and those of RPFJ Limited from 14 Britannia Place, Bath Street, St Helier, Jersey, JE2 4SU.

The ultimate controlling party is P Noble.

10 Related party transactions

Transactions with other RPFJ Limited group companies are not disclosed as the company has taken advantage of the exemption available under para 33.1A of FRS 102.