

Company registration number 09063144 (England and Wales)

INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED

COMPANY INFORMATION

Directors	T G Brown N A Forster D M Reid H L Sefton
Secretary	S Cruickshank
Company number	09063144
Registered office	15 Golden Square London W1F 9JG
Auditor	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ

INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED

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INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	5	74,394,129		79,194,389	
Current assets					
Debtors		464,816		-	
Cash at bank and in hand		513		12,579	
		<u>465,329</u>		<u>12,579</u>	
Creditors: amounts falling due within one year	6	<u>(58,334,004)</u>		<u>(65,431,760)</u>	
Net current liabilities			(57,868,675)		(65,419,181)
Net assets			<u>16,525,454</u>		<u>13,775,208</u>
Capital and reserves					
Called up share capital	7		-		-
Profit and loss reserves	8		16,525,454		13,775,208
Total equity			<u>16,525,454</u>		<u>13,775,208</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 29 September 2022 and are signed on its behalf by:

D M Reid
Director

Company Registration No. 09063144

INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Ingenious Real Estate Enterprises 2 Limited is a private company limited by shares incorporated in England and Wales. The registered office is 15 Golden Square, London, W1F 9JG.

The principal activity of the company in the year under review was that of the issuance of commercial loans to prospective borrowers for the purpose of funding residential, commercial and mixed use development projects to generate returns for its shareholders. The Company carries on these activities through its membership of Ingenious Real Estate Finance LLP ("the partnership") and becoming a member of Ingenious Real Estate Finance 2 LLP.

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. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

We draw attention to the current economic outlook over the next 12 months in the UK residential market. At the moment, there is no material slow-down in the market. The directors have considered the cash balance held by the company, and the projected administrative and other costs for the forthcoming 12 months from the date of signing of the financial statements, and consider there to be adequate resources in place. On this basis, the company is considered to be a going concern.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.4 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.

INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 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 statement of financial position 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.

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.

1.6 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.

1.7 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Loans

Non-derivative financial liabilities with fixed or determinable repayments that are not quoted in an active market are classified as loans. Loans are initially recognised at fair value of the consideration received plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method. Arrangement fees and interest payable on financial liabilities that are classified as loans, are charged to the profit and loss account.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest payable over the expected life of the liability. The effective interest rate is the rate that exactly discounts estimated future cashflows to the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees payable, that are an integral part of the instrument yield and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

A financial liability is removed from the balance sheet when the obligation is discharged, or cancelled, or expires.

2 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 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. No key sources or estimates were made during the period.

3 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	4,500	4,500
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INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Employees

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

	2021 Number	2020 Number
Total	-	-

5 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	74,394,129	79,194,389

Movements in fixed asset investments

	Interest in other participating interests £
Cost or valuation	
At 1 January 2021	79,194,389
Share of profit/(loss)	5,388,993
Disposals	(10,189,253)
At 31 December 2021	74,394,129
Carrying amount	
At 31 December 2021	74,394,129
At 31 December 2020	79,194,389

Of the above, 73.3% relates to Ingenious Real Estate Finance 2 LLP, in which the company owns a controlling share of capital.

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	340,005	-
Amounts owed to group undertakings	57,669,613	64,475,773
Corporation tax	-	273,564
Other creditors	324,386	682,423
	58,334,004	65,431,760

INGENIOUS REAL ESTATE ENTERPRISES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7	Called up share capital	2021	2020	2021	2020
	Ordinary of 10p each	1	1	-	-
8	Profit and loss reserves			2021	2020
				£	£
	At the beginning of the year			13,775,208	11,545,645
	Profit for the year			2,750,246	2,229,563
	At the end of the year			<u>16,525,454</u>	<u>13,775,208</u>

The profit and loss account represents the cumulative profits or losses, net of dividends paid and other adjustments.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Joseph Kinton
Statutory Auditor:	Shipleys LLP

10 Events after the reporting date

After the year ended 31 December 2021, the Company made capital contributions to the Partnership amounting to £14,451,979, and withdrawals from the Partnership amounting to £14,058,371.

Ingenious Real Estate Enterprises 2 Limited has invested an additional net £37.8m into Ingenious Real Estate Finances LLP.

Ingenious Real Estate Enterprises 2 Limited has invested an additional net £9.5m into Ingenious Real Estate Finances 2 LLP.

Ingenious Real Estate Enterprises 2 Limited has a 73.3% capital ownership of Ingenious Real Estate Finance 1 and 2 LLP, of £101m. Members Capital and Retained earnings allotted to members Ingenious Real Estate Enterprises 2 Limited owns £74m, Ingenious Real Estate Finance LLP has £60.5m and Ingenious Real Estate Finance 2 LLP has £13.5m.

11 Ultimate controlling party

At 31 December 2021, the ultimate parent undertaking was Ingenious Estate Planning Limited, registered at 15 Golden Square, London, W1F 9JG.

There was no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.