

Crouch End (FEC) Limited

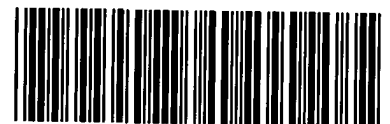
Company registration number: 10448866

Crouch End (FEC) Limited

Annual report and financial statements

For the year ended 31 March 2022

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Crouch End (FEC) Limited

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Crouch End (FEC) Limited

Company information

Directors	David Chiu John Joseph Connolly Cheong Thard Hoong Raymond Fong Man Cheong
Company number	10448866
Registered office	Ground Floor 12 Stanhope Gate London England W1K 1AW
Auditor	Deloitte LLP Statutory auditor London United Kingdom
Bankers	HSBC Bank Plc 2-4 St Ann's Square Manchester United Kingdom M2 7HD

Crouch End (FEC) Limited

Directors report For the year ended 31 March 2022

The directors present their report and the financial statements of the company for the year ended 31 March 2022.

Principal activity

The principal activity of the company in the period under review was that of developing residential/commercial property with a view to selling completed housing units. The company also receives rental income on a telephone mast site occupied within the development.

The Hornsey Town Hall development is situated around Crouch End, London. Building works are ongoing on two existing Grade II* listed historic buildings (Town Hall and Broadway Annex); three new residential buildings (Block A, Block B and Mews). The scheme offers a variety of premium residential products, amenity and commercial space across a series of architecturally exceptional buildings. The company is responsible for the development of the new residential buildings.

This Grade II* listed Town Hall is being restored by a fellow group company Hornsey TH (FEC) Limited ("HTH") to incorporate a new aparthotel, arts centre, cafe, flexible community and events space with phased completion expected over the course of the next two financial years. The Company and HTH are joint obligors under a bank loan, however the Company has drawn all funds under the loan and advances funds to HTH as required.

Directors

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

David Chiu
John Joseph Connolly
Cheong Thard Hoong
Raymond Fong Man Cheong

Political and charitable contributions

The company did not make any charitable contributions during the year (2021: £Nil). The company did not make any political contributions during the year (2021: £Nil).

Third party indemnity

The directors of the company are indemnified against all liabilities incurred by a director to a person other than the company or an associated company with notable exclusion as set out in the Companies Act 2006 Section 234(3).

Crouch End (FEC) Limited

**Directors report (continued)
For the year ended 31 March 2022**

Directors responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

Crouch End (FEC) Limited

Directors report (continued) For the year ended 31 March 2022

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Principal risks and uncertainties

The company is exposed to typical commercial risks including cost inflation experienced by commercial organisations operating within the same competitive market of property development in the UK. The company seeks to mitigate these risks by focusing on providing quality buildings in locations with commercial and residential appeal.

Government support for both the UK economy and the housing market in the form of the temporary Stamp Duty Land Tax holiday and the extension of Help to Buy deadlines to 31 October 2022 and the Lifetime ISA (LISA) have helped to stabilise the market and demonstrated the Government's commitment to the new build sector.

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. Due to the nature of the Company's business and the assets and liabilities contained within its statement of financial position, the key financial risks the directors consider relevant to this Company are cash flow risk and liquidity risk. The company maintains a liquidity buffer, which is based on its liquidity needs under stressed conditions and funded by group companies. The group has pledged to support the company by providing day to day working capital and short term funding requirements. The liquidity buffer is monitored regularly to ensure there are sufficient liquid assets at all times to cover cash flow movements and fluctuations in funding and to enable the company to meet all financial obligations.

Going concern

The company made a loss of £138,173 (2021 : £322,284 loss) and has net liabilities of £1,732,657 (2021 : £1,594,483). The company meets its day to day working capital requirements and medium-term funding requirements through a bank loan and resources provided by its ultimate parent company. The bank facility was due to expire on 17 December 2022 and we have agreed with the lender a six months extension. The north section of Block A of the residential development has now been completed and the company has commenced the completion process with the purchasers on the exchanged Block A north units. The company expects the remaining residential blocks to be completed by end of February 2023 and the redevelopment of the Hornsey Town Hall after this. Our forecast indicates that the completion proceeds on the units already exchanged will be sufficient to repay the bank loan by 31 March 2023. Furthermore, the ultimate parent company, Far East Consortium International Limited, has committed that it will continue providing financial assistance to enable the company to continue its business operations as a going concern for a period of at least 12 months from the date these financial statements are signed. The directors have made enquiries of the ultimate parent company about its ability to provide support. On this basis the directors consider that it is appropriate to prepare the company's financial statements on a going concern basis.

Auditor

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Crouch End (FEC) Limited

Directors report (continued)
For the year ended 31 March 2022

Small company provisions

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A and 414B of the Companies Act 2006.

This report was approved by the board of directors on 23 December 2022 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'John Joseph Connolly', with a long horizontal stroke extending to the right.

John Joseph Connolly
Director

Crouch End (FEC) Limited

**Independent auditor's report to the members of
Crouch End (FEC) Limited**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Crouch End (FEC) Limited (the "company"):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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.

Crouch End (FEC) Limited

Independent auditor's report to the members of Crouch End (FEC) Limited (continued)

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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included planning legislation, Health and Safety Laws and UK Employment Laws.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Crouch End (FEC) Limited

Independent auditor's report to the members of Crouch End (FEC) Limited (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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 auditors 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.

Crouch End (FEC) Limited

Independent auditor's report to the members of
Crouch End (FEC) Limited (continued)



Timothy Steel ACA
(Senior statutory auditor)

For and on behalf of
Deloitte LLP
Statutory Auditor
London
United Kingdom
Date: 23 December 2022

Crouch End (FEC) Limited
Statement of comprehensive income
For the year ended 31 March 2022

	Note	2022 £	2021 £
Turnover		240	18,000
Other operating expenses		(372,347)	(340,284)
Operating loss	4	(372,107)	(322,284)
Other interest receivable and similar income	13	905,136	125,516
Interest payable and similar expenses	13	(904,790)	(125,516)
Loss before taxation		(371,761)	(322,284)
Tax on loss	7	233,587	-
(Loss) for the financial year and total comprehensive expense for the financial year		(138,174)	(322,284)

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income. All results are from continuing operations.


There was no other comprehensive income for 2022 (2021 : £NIL).

The notes on pages 13 to 21 form part of these financial statements.

Crouch End (FEC) Limited
Statement of financial position
As at 31 March 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Investments	8	71		71	
			71		71
Current assets					
Stocks	9	59,265,975		31,056,858	
Debtors	10	15,707,626		7,445,100	
Cash at bank and in hand	11	3,788,436		2,821,111	
		78,762,037		41,323,069	
Creditors: amounts falling due within one year	12	(80,494,765)		(23,510,096)	
Net current (liabilities)/assets			(1,732,728)		17,812,973
Total assets less current liabilities			(1,732,657)		17,813,044
Creditors: amounts falling due after more than one year	13		-		(19,407,527)
Net liabilities			(1,732,657)		(1,594,483)
Capital and reserves					
Called up share capital	15		1		1
Profit and loss account			(1,732,658)		(1,594,484)
Shareholders deficit			(1,732,657)		(1,594,483)

These financial statements were approved by the board of directors and authorised for issue on 23 December 2022, and are signed on behalf of the board by:


John Joseph Connolly
Director

Company registration number: 10448866

The notes on pages 13 to 21 form part of these financial statements.

Crouch End (FEC) Limited

**Statement of changes in equity
For the year ended 31 March 2022**

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2020	1	(1,272,200)	(1,272,199)
Loss for the year		(322,284)	(322,284)
Total comprehensive expense for the year	-	(322,284)	(322,284)
At 31 March 2021 and 1 April 2021	1	(1,594,484)	(1,594,483)
Loss for the year		(138,174)	(138,174)
Total comprehensive expense for the year	-	(138,174)	(138,174)
At 31 March 2022	1	(1,732,658)	(1,732,657)

Crouch End (FEC) Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

1. General information

Crouch End (FEC) Limited is a private company limited by shares, registered in England and Wales. The company's registered number and registered address can be found on the Company Information page. The company was incorporated in the United Kingdom under the Companies Act 2006.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The presentation currency of the financial statements is the Pound Sterling (£). The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Basis of consolidation

These financial statements present information about the company as an individual company and not about its group. The company is exempt under section 401 of the Companies Act 2006 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as its results are included in the consolidated financial statements of Far East Consortium International Limited listed in Hong Kong. Copies of the financial statements of Far East Consortium International Limited can be obtained at company's office address as mentioned in Note 15.

2.3 Financial reporting standard 101 reduced disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the period from inception the Company adopted FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Crouch End (FEC) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

2.4 New and amended IFRS standards that are effective for the current

From 1 April 2021, the following standards and amendments are effective in the Company's Financial Statements:

- Amendments to IFRS 17 and IFRS 4: 'Insurance Contracts' - deferral of IFRS9;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2

None of these changes or amendments had any material impact on the Company's financial statements.

2.5 Going concern

The company made a loss of £138,174 (2021 : £322,284 loss) and has net liabilities of £1,732,657 (2021 : £1,594,483). The company meets its day to day working capital requirements and medium-term funding requirements through a bank loan and resources provided by its ultimate parent company. The bank facility was due to expire on 17 December 2022 and we have agreed with the lender a six months extension. The north section of Block A of the residential development has now been completed and the company has commenced the completion process with the purchasers on the exchanged Block A north units. The company expects the remaining residential blocks to be completed by end of February 2023 and the redevelopment of the Hornsey Town Hall after this. Our forecast indicates that the completion proceeds on the units already exchanged will be sufficient to repay the bank loan by 31 March 2023. Furthermore, the ultimate parent company, Far East Consortium International Limited, has committed that it will continue providing financial assistance to enable the company to continue its business operations as a going concern for a period of at least 12 months from the date these financial statements are signed. The directors have made enquiries of the ultimate parent company about its ability to provide support. On this basis the directors consider that it is appropriate to prepare the company's financial statements on a going concern basis.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2.7 Revenue

The Company recognises revenue from sales of completed residential properties. The Company constructs properties which will be sold to customers under long-term contracts. Under the terms of the contracts the Company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment when constructed is completed. Revenue from construction of residential properties is therefore recognised upon completion of the construction and the satisfaction of the performance obligations under IFRS 15.

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 reporting date in the countries where the Company operates and generates income.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2.9 Valuation of investments

Investments in subsidiary undertakings are stated at purchase cost of acquisition (including any incidental costs of acquisition) together with the amount of long-term loans advanced to those undertakings.

Where, in the opinion of the directors, there has been an impairment of the investments, appropriate provisions are made and charged to the statement of comprehensive income.

Crouch End (FEC) Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

2.10 Stocks

Stocks represents work in progress for the properties under development. Stocks are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

Commission incurred on sales of residential and commercial property is recognised at a point in time, upon the exchange of contracts for such sales. Commission is held as stock until the legal completion are achieved.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable, including inter-company loans, 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.

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of the financial assets or liabilities at fair value through the profit or loss are recognised immediately in the profit or loss account.

Loans and Receivables

Trade receivables, loans and other receivables that have a fixed and determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate except for short term receivables when the recognition of interest would be immaterial.

Financial Liabilities

Financial liabilities, including borrowings, are measured at fair value, net of transaction costs.

2.14 Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on debtors. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for debtors. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. immediately in the profit or loss account.

Crouch End (FEC) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered 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.

Critical accounting judgements

The directors do not consider there to be any critical judgements, estimates and assumptions about the carrying amounts of assets and liabilities made by the directors in the application of the company's accounting policies, which are described in Note 2.

Key sources of estimation uncertainty

Work in progress

The directors have prepared financial projections which demonstrate that work in progress and development land will be recoverable but this includes significant estimates in respect of future revenues and development costs. The estimates are underpinned by confirmed revenue values and costs due to the advanced status of sales and construction. The carrying amount of WIP at year-end is £ 59,265,975 (2021: £ 31,056,858).

3 Operating loss

Operating loss is stated after charging:

	2022	2021
	£	£
Bad debt provision on amount due from 70% subsidiary	311,081	329,208
Fees payable for the audit of the financial statements	<u>16,500</u>	<u>14,000</u>

4 Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements provided to the Company:

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>16,500</u>	<u>14,000</u>

5 Employees

The Company has no employees (2021 : None) other than the directors, who did not receive any remuneration (2021 : None).

Crouch End (FEC) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

7. Tax on loss

	2022	2021
Current tax:		
UK current tax expense	-	-
	<hr/>	<hr/>
Total UK current tax	-	-
Deferred tax:		
Total deferred tax credit	233,587	-
	<hr/>	<hr/>
Total tax credit on loss	<u>233,587</u>	<u>-</u>

Reconciliation of tax expense

The tax assessed on the loss for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

	2022	2021
	£	£
Loss before taxation	(371,761)	(322,284)
	<hr/>	<hr/>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(70,634)	(61,234)
	<hr/>	<hr/>
Effect of expenses not deductible for tax purposes	59,105	62,550
Utilisation of tax losses	-	(1,316)
Tax losses recognised in the year	229,946	-
Effect of change in tax rate	15,170	-
	<hr/>	<hr/>
Tax on loss	<u>233,587</u>	<u>-</u>

A deferred tax asset of £233,587 (2021: Nil) has been recognised. The Company foresees an improvement in its operating profits in future periods such that UK taxable income will be generated. There is no time limit on the utilisation of the tax losses in future periods (see note 14).

The UK budget in March 2020 announced that the UK corporation tax rate was to stay at 19% from 1 April 2020. The subsequent Finance Act 2021, which was substantively enacted on 24 May 2021, included an increase to the rate of corporation tax from 19% to 25% with effect from 1 April 2023. Therefore, the deferred tax balances shown as at 31 March 2022 have been measured at 25%.

Crouch End (FEC) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

8. Investments

	Shares in group undertakings and participating interests £	Total £
Cost		
At 1 April 2021 and 31 March 2022	71	71
Impairment		
At 1 April 2021 and 31 March 2022	-	-
Carrying amount		
At 31 March 2022	71	71
At 31 March 2021	71	71

Investments in subsidiary

	Registered office address	Class of share	Percentage of shares held	Principal activity
Subsidiary undertakings				
Hornsey Town Hall Arts Centre Limited (formerly FEC Time + Space Ltd)	Ground Floor 12 Stanhope Gate London England, W1K 1AW	Ordinary	70	Operating the community and commercial area of the Hornsey Town Hall.
Crouch End Management Limited	Ground Floor 12 Stanhope Gate London England, W1K 1AW	Ordinary	100	Management of the Hornsey Town Hall estate.

9. Stocks

	2022 £	2021 £
Work in progress (land and development costs)	59,265,975	31,056,858

The amount of stocks recognised as an expense during the year was £nil (2021 : £nil).

Crouch End (FEC) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

10. Debtors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed by group undertakings	15,291,100	7,085,164
Other debtors	182,939	359,936
Deferred tax asset (see note 14)	233,587	-
	<u>15,707,626</u>	<u>7,445,100</u>

Amounts owed by group undertakings are unsecured, have no fixed repayment date and are payable on demand.

11. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>3,788,436</u>	<u>2,821,111</u>

Included within cash at bank and in hand are restricted funds of £2,639,492 (2021 : £2,070,792) which will be available at the completion of each plot within the development and delivery of units to customers.

12. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts (Note 13)	38,307,126	-
Trade creditors	156,325	4,230,795
Amounts owed to group undertakings	31,606,756	14,380,880
Accruals and deferred income	10,424,558	4,898,421
	<u>80,494,765</u>	<u>23,510,096</u>

Amounts owed to group undertakings arising from payments on behalf of the company are unsecured, have no fixed repayment date and are payable on demand.

Interest is charged on the amount due to group undertakings currently at an interest rate at 8.16% (2021: 8.16%) per annum based on the group's transfer pricing exercise.

Included within accruals and deferred income are customer deposits of £6,358,541 (2021: £4,753,101).

Crouch End (FEC) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

13. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	-	19,407,527
	<u> </u>	<u> </u>
Analysis of the maturity of loans:		
	2022	2021
Bank loans		
Amounts falling due within one year	38,307,126	-
Amounts falling due 2-5 years	-	19,407,527
	<u>38,307,126</u>	<u>19,407,527</u>

The Company has a construction loan of £38,307,126 (2021 : £19,407,527). The loan was taken out on 17 December 2019 jointly with Hornsey TH (FEC) Limited although all funds are drawn by the Company and the Company advance funds to Hornsey TH (FEC) Limited for its refurbishment of the Town Hall. Repayment of the loan was due 36 months after this date and this has been extended by a further 6 months. The loan is secured by a fixed and floating charge over the assets of the Company. The loan carries an interest rate at 2.25% per cent above 1 month SONIA.

The portion of interest attributable to the development of qualifying assets by the company has been capitalised into work in progress and the portion attributable to funds advanced to Hornsey TH (FEC) Limited has been charged to Hornsey TH (FEC) Limited and recorded as interest income and expense.

14. Deferred tax asset

Deferred tax comprises the following:

	2022	2021
	£	£
Tax losses carried forward	233,587	-
	<u>233,587</u>	<u>-</u>
Asset at 1 April 2021	-	
Movement for the year (note 7)	233,587	
Asset at 31 March 2022	<u>233,587</u>	

15. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No	£	No	£
Ordinary shares of £ 1.00 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Crouch End (FEC) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

16. Controlling party

In the opinion of the directors, the company's immediate parent is Shevlock Limited, a company incorporated in British Virgin Island and the company's ultimate parent company and ultimate controlling party is Far East Consortium International Limited (registered address: P O Box 1043, Whitehall House, 238 North Church Street, George Town, Grand Cayman, KY1-11-2, Cayman Islands). The largest and smallest group in which the results of the company are consolidated is Far East Consortium Limited, a company incorporated in Cayman Islands. Copies of the financial statements of Far East Consortium International Limited may be obtained from Far East Consortium Limited, 16/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.

17. Post balance sheet events

There is no post balance sheet event to be reported.