

**Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2022
for
Avenue Investments Limited**

**Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2022**

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Avenue Investments Limited

**Company Information
for the Year Ended 31 March 2022**

DIRECTORS:

Mr I B Abrams
Mr C H Gottlieb
Mr M R Gottlieb
Mrs S S Gottlieb

SECRETARY:

Mrs S S Gottlieb

REGISTERED OFFICE:

Regency House
33 Wood Street
Barnet
Hertfordshire
EN5 4BE

REGISTERED NUMBER:

00533085 (England and Wales)

AUDITORS:

Cartwrights
Chartered Accountants and Business Advisors
Statutory Auditor
Regency House
33 Wood Street
Barnet
Hertfordshire
EN5 4BE

**Report of the Directors
for the Year Ended 31 March 2022**

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of property development and property rental.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

Mr I B Abrams
Mr C H Gottlieb
Mr M R Gottlieb
Mrs S S Gottlieb

CHARITABLE DONATIONS AND EXPENDITURE

During the year the company made charitable donations of £5,000 (2021: £nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Cartwrights, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Avenue Investments Limited (Registered number: 00533085)

**Report of the Directors
for the Year Ended 31 March 2022**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Mr C H Gottlieb - Director

13 November 2022

Report of the Independent Auditors to the Members of Avenue Investments Limited

Opinion

We have audited the financial statements of Avenue Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

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 group's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Avenue Investments Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Avenue Investments Limited

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, and that they remained alert to instances of non-compliance throughout the audit.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- based on our understanding of the group and industry, and through discussions with directors and key management, we identified any specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation; and
- we assessed the extent of compliance with these laws and regulations through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries, particularly focused around the year-end, to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates in the notes to the financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the group's legal advisors.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Avenue Investments Limited**

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 a Report of the Auditors 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.

Andrew Hill (Senior Statutory Auditor)
for and on behalf of Cartwrights
Chartered Accountants and Business Advisors
Statutory Auditor
Regency House
33 Wood Street
Barnet
Hertfordshire
EN5 4BE

14 November 2022

**Consolidated Income Statement
for the Year Ended 31 March 2022**

| | Notes | 31/3/22 £ | 31/3/21 £ |
|--|-------|------------------|------------------|
| TURNOVER | | 2,035,831 | 2,287,903 |
| Cost of sales | | <u>(749,795)</u> | <u>(603,399)</u> |
| GROSS PROFIT | | 1,286,036 | 1,684,504 |
| Administrative expenses | | <u>(951,455)</u> | <u>(943,305)</u> |
| | | 334,581 | 741,199 |
| Other operating income | | - | 46,348 |
| Gain/(loss) on revaluation of investment properties | | <u>1,270,000</u> | <u>-</u> |
| OPERATING PROFIT | | 1,604,581 | 787,547 |
| Interest receivable and similar income | | <u>101</u> | <u>-</u> |
| | | 1,604,682 | 787,547 |
| Interest payable and similar expenses | | <u>(726,487)</u> | <u>(606,599)</u> |
| PROFIT BEFORE TAXATION | | 878,195 | 180,948 |
| Tax on profit | 5 | <u>(267,519)</u> | <u>(97,259)</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>610,676</u> | <u>83,689</u> |
| Profit attributable to: Owners of the parent | | <u>610,676</u> | <u>83,689</u> |

The notes form part of these financial statements

Consolidated Balance Sheet
31 March 2022

| | Notes | 31/3/22 £ | £ | 31/3/21 £ | £ |
|--|-------|----------------|-------------------|----------------|-------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 7 | | - | | 4,651 |
| Tangible assets | 8 | | 2,024 | | 2,381 |
| Investments | 9 | | - | | - |
| Investment property | 10 | | 31,492,770 | | 32,417,770 |
| | | | <u>31,494,794</u> | | <u>32,424,802</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 208,019 | | 671,206 | |
| Cash at bank | | <u>321,679</u> | | <u>752,679</u> | |
| | | 529,698 | | 1,423,885 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 12 | <u>709,261</u> | | <u>911,155</u> | |
| NET CURRENT (LIABILITIES)/ASSETS | | | <u>(179,563)</u> | | <u>512,730</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 31,315,231 | | 32,937,532 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 13 | | (16,364,492) | | (18,622,437) |
| PROVISIONS FOR LIABILITIES | 15 | | <u>(682,234)</u> | | <u>(407,266)</u> |
| NET ASSETS | | | <u>14,268,505</u> | | <u>13,907,829</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 1,081,215 | | 1,081,215 |
| Share premium | | | 932,137 | | 932,137 |
| Capital redemption reserve | | | 292,540 | | 292,540 |
| Fair value reserve | | | 3,276,335 | | 2,478,582 |
| Retained earnings | | | <u>8,686,278</u> | | <u>9,123,355</u> |
| | | | <u>14,268,505</u> | | <u>13,907,829</u> |

The financial statements have been prepared 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 13 November 2022 and were signed on its behalf by:

Mr C H Gottlieb - Director

Company Balance Sheet
31 March 2022

| | Notes | 31/3/22 £ | £ | 31/3/21 £ | £ |
|--|-------|----------------|------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 7 | | - | | - |
| Tangible assets | 8 | | - | | - |
| Investments | 9 | | 1,114,792 | | 1,114,792 |
| Investment property | 10 | | <u>2,000</u> | | <u>2,000</u> |
| | | | 1,116,792 | | 1,116,792 |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 2,498,495 | | 2,345,957 | |
| Cash at bank | | <u>13,319</u> | | <u>57,359</u> | |
| | | 2,511,814 | | 2,403,316 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 12 | <u>503,638</u> | | <u>223,280</u> | |
| NET CURRENT ASSETS | | | <u>2,008,176</u> | | <u>2,180,036</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>3,124,968</u> | | <u>3,296,828</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 1,081,215 | | 1,081,215 |
| Share premium | | | 932,137 | | 932,137 |
| Capital redemption reserve | | | 292,540 | | 292,540 |
| Retained earnings | | | <u>819,076</u> | | <u>990,936</u> |
| | | | <u>3,124,968</u> | | <u>3,296,828</u> |
| Company's profit for the financial year | | | <u>78,140</u> | | <u>6,634</u> |

The financial statements have been prepared 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 13 November 2022 and were signed on its behalf by:

Mr C H Gottlieb - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2022**

| | Called up share capital £ | Retained earnings £ | Share premium £ |
|---------------------------------|---|---|--------------------------------|
| Balance at 1 April 2020 | 1,081,215 | 9,289,666 | 932,137 |
| Changes in equity | | | |
| Dividends | - | (250,000) | - |
| Total comprehensive income | - | 83,689 | - |
| Balance at 31 March 2021 | <u>1,081,215</u> | <u>9,123,355</u> | <u>932,137</u> |
| Changes in equity | | | |
| Dividends | - | (250,000) | - |
| Total comprehensive income | - | (187,077) | - |
| Balance at 31 March 2022 | <u>1,081,215</u> | <u>8,686,278</u> | <u>932,137</u> |
| | Capital redemption reserve £ | Fair value reserve £ | Total equity £ |
| Balance at 1 April 2020 | 292,540 | 2,478,582 | 14,074,140 |
| Changes in equity | | | |
| Dividends | - | - | (250,000) |
| Total comprehensive income | - | - | 83,689 |
| Balance at 31 March 2021 | <u>292,540</u> | <u>2,478,582</u> | <u>13,907,829</u> |
| Changes in equity | | | |
| Dividends | - | - | (250,000) |
| Total comprehensive income | - | 797,753 | 610,676 |
| Balance at 31 March 2022 | <u>292,540</u> | <u>3,276,335</u> | <u>14,268,505</u> |

**Company Statement of Changes in Equity
for the Year Ended 31 March 2022**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Total equity £ |
|---------------------------------|--|------------------------------------|--------------------------------|---|-------------------------------|
| Balance at 1 April 2020 | 1,081,215 | 1,234,302 | 932,137 | 292,540 | 3,540,194 |
| Changes in equity | | | | | |
| Dividends | - | (250,000) | - | - | (250,000) |
| Total comprehensive income | - | 6,634 | - | - | 6,634 |
| Balance at 31 March 2021 | <u>1,081,215</u> | <u>990,936</u> | <u>932,137</u> | <u>292,540</u> | <u>3,296,828</u> |
| Changes in equity | | | | | |
| Dividends | - | (250,000) | - | - | (250,000) |
| Total comprehensive income | - | 78,140 | - | - | 78,140 |
| Balance at 31 March 2022 | <u>1,081,215</u> | <u>819,076</u> | <u>932,137</u> | <u>292,540</u> | <u>3,124,968</u> |

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2022**

1. STATUTORY INFORMATION

Avenue Investments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Going concern

At the balance sheet date the group had net current liabilities of £179,563 (2021: £512,730 net current assets). This is largely due to the nature of the business, being a property rental group. Net assets at the balance sheet date totalled £14,268,505 (2021: £13,907,829) and the directors believe that it is appropriate for these financial statements to be prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to confirm to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over its estimated useful economic life of twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue recognition - sale of services

Turnover is recognised when significant risks and rewards of provision of the service have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income, service charge income and other related income are recognised on provision of the service to the customer, which is considered the period over which the service is provided.

Lease incentives are amortised over the length of the lease.

Property acquisitions and disposals are accounted for where exchange of contracts has taken place during the accounting period where completion has been effected by the date on which the financial statements are approved.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2002, is being amortised evenly over its estimated useful life of twenty years.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

| | |
|-----------------------|-------------------------------|
| Fixtures and fittings | - 15% reducing balance method |
| Computer equipment | - 15% reducing balance method |

Government grants

The group receives government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an assets carrying amount and the present value of estimated cash flows discounted at the assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an assets carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realised the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022**

3. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

The Group as a lessor

Rental income from operating leases is credited to the consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Group as a lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation,

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When the payments are eventually made, they are charged to the provision carried in the balance sheet.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2021 - 4) .

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022**

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 31/3/22 £ | 31/3/21 £ |
|--------------------|----------------|---------------|
| Current tax: | | |
| UK corporation tax | (7,449) | 24,655 |
| Deferred tax | 274,968 | 72,604 |
| Tax on profit | <u>267,519</u> | <u>97,259</u> |

6. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

7. INTANGIBLE FIXED ASSETS

Group

| | Goodwill £ |
|--------------------------------------|-----------------------|
| COST | |
| At 1 April 2021 and 31 March 2022 | <u>93,153</u> |
| AMORTISATION | |
| At 1 April 2021 | 88,502 |
| Charge for year | <u>4,651</u> |
| At 31 March 2022 | <u>93,153</u> |
| NET BOOK VALUE | |
| At 31 March 2022 | <u>-</u> |
| At 31 March 2021 | <u>4,651</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

8. TANGIBLE FIXED ASSETS

Group

| | Plant and machinery etc £ |
|--------------------------------------|------------------------------------|
| COST | |
| At 1 April 2021 and 31 March 2022 | <u>38,130</u> |
| DEPRECIATION | |
| At 1 April 2021 | 35,749 |
| Charge for year | <u>357</u> |
| At 31 March 2022 | <u>36,106</u> |
| NET BOOK VALUE | |
| At 31 March 2022 | <u>2,024</u> |
| At 31 March 2021 | <u>2,381</u> |

9. FIXED ASSET INVESTMENTS

Company

| | Shares in group undertakings £ |
|--------------------------------------|---|
| COST | |
| At 1 April 2021 and 31 March 2022 | <u>1,114,792</u> |
| NET BOOK VALUE | |
| At 31 March 2022 | <u>1,114,792</u> |
| At 31 March 2021 | <u>1,114,792</u> |

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Metropolitan and City Properties Limited

Registered office: United Kingdom

Nature of business: Property rental

| | % holding | 31/3/22 £ | 31/3/21 £ |
|--------------------------------|--------------|------------------|---------------|
| Class of shares: | | | |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | 11,639,287 | 11,783,651 |
| (Loss)/profit for the year | | <u>(144,364)</u> | <u>64,699</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

9. **FIXED ASSET INVESTMENTS - continued**

Metropolitan and City Properties (Loughton) Limited

Registered office: United Kingdom

Nature of business: Property rental

| | % holding | 31/3/22 | 31/3/21 |
|--------------------------------|--------------|---------------|---------------|
| Class of shares: | | £ | £ |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | 102,209 | 72,804 |
| Profit for the year | | <u>29,405</u> | <u>23,872</u> |

Metropolitan and City Properties (Reading) Limited

Registered office: United Kingdom

Nature of business: Dormant

| | % holding | 31/3/22 | 31/3/21 |
|--------------------------------|--------------|----------|----------|
| Class of shares: | | £ | £ |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | <u>1</u> | <u>1</u> |

Meromlake Limited

Registered office: United Kingdom

Nature of business: Property rental

| | % holding | 31/3/22 | 31/3/21 |
|--------------------------------|--------------|----------------|----------------|
| Class of shares: | | £ | £ |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | 638,273 | 4,000 |
| Profit/(loss) for the year | | <u>634,273</u> | <u>(6,857)</u> |

10. **INVESTMENT PROPERTY**

Group

| | Total £ |
|-----------------------|--------------------|
| FAIR VALUE | |
| At 1 April 2021 | 32,417,770 |
| Disposals | (2,195,000) |
| Revaluations | 1,270,000 |
| At 31 March 2022 | <u>31,492,770</u> |
| NET BOOK VALUE | |
| At 31 March 2022 | <u>31,492,770</u> |
| At 31 March 2021 | <u>32,417,770</u> |

The director consider the current value to reflect the fair value of the property on an open market basis as at the balance sheet date.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022**

10. INVESTMENT PROPERTY - continued

Group

Fair value at 31 March 2022 is represented by:

| | £ |
|-------------------|-------------------|
| Valuation in 2022 | 1,275,000 |
| Cost | 30,217,770 |
| | <u>31,492,770</u> |

Investment property in Metropolitan and City Properties Limited and Meronlake Limited was valued on an open market value basis on 10 December 2021 at £29,768,000 by Savills (UK), property agents.

Investment property in Metropolitan and City Properties (Loughton) Limited was valued on an open market value basis on 31 March 2022 at £1,724,770 by the directors.

Investment property in Avenue Investments Limited was valued on an open market value basis on 31 March 2022 at £2,000 by the directors.

Company

| | Total £ |
|--------------------------------------|--------------------|
| FAIR VALUE | |
| At 1 April 2021 and 31 March 2022 | <u>2,000</u> |
| NET BOOK VALUE | |
| At 31 March 2022 | <u>2,000</u> |
| At 31 March 2021 | <u>2,000</u> |

11. DEBTORS

| | Group | | Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31/3/22 £ | 31/3/21 £ | 31/3/22 £ | 31/3/21 £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | 85,545 | 449,664 | - | - |
| Amounts owed by group undertakings | - | - | 2,483,804 | 2,337,037 |
| Other debtors | <u>122,474</u> | <u>171,059</u> | <u>14,691</u> | <u>8,920</u> |
| | <u>208,019</u> | <u>620,723</u> | <u>2,498,495</u> | <u>2,345,957</u> |
| Amounts falling due after more than one year: | | | | |
| Other debtors | <u>-</u> | <u>50,483</u> | <u>-</u> | <u>-</u> |
| Aggregate amounts | <u>208,019</u> | <u>671,206</u> | <u>2,498,495</u> | <u>2,345,957</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 31/3/22 | 31/3/21 | 31/3/22 | 31/3/21 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 60,193 | 60,193 | - | - |
| Trade creditors | 53,254 | 54,754 | - | - |
| Amounts owed to group undertakings | - | - | 450,705 | 155,705 |
| Taxation and social security | 47,785 | 172,657 | 20,675 | 37,918 |
| Other creditors | 548,029 | 623,551 | 32,258 | 29,657 |
| | <u>709,261</u> | <u>911,155</u> | <u>503,638</u> | <u>223,280</u> |

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | |
|-----------------|-------------------|-------------------|
| | 31/3/22 | 31/3/21 |
| | £ | £ |
| Bank loans | 16,233,894 | 18,487,164 |
| Other creditors | 130,598 | 135,273 |
| | <u>16,364,492</u> | <u>18,622,437</u> |

14. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | |
|------------|-------------------|-------------------|
| | 31/3/22 | 31/3/21 |
| | £ | £ |
| Bank loans | <u>16,294,087</u> | <u>18,547,357</u> |

Bank loans are secured by fixed secured legal mortgage charges on the investment properties dated 7 April 2017, 29 October 2013 and 31 May 2022.

Bank loans are also secured by floating charges on other group assets dated 24 October 2013, 18 October 2019 and 31 May 2022.

15. PROVISIONS FOR LIABILITIES

| | Group | |
|--|----------------|---------------------|
| | 31/3/22 | 31/3/21 |
| | £ | £ |
| Deferred tax | <u>682,234</u> | <u>407,266</u> |
| Group | | |
| | | Deferred tax |
| | | £ |
| Balance at 1 April 2021 | | 407,266 |
| Charge to Income Statement during year | | <u>274,968</u> |
| Balance at 31 March 2022 | | <u>682,234</u> |

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2022**

16. COMMITMENTS AND GUARANTEES

The group has provided fixed charges over shares and certain real property and entered into a subordinated creditors security agreement in respect of up to £16.8m senior secured term loan facilities.

17. POST BALANCE SHEET EVENTS

On 31 May 2022 the group completed a bank refinancing with ICG Longbow, borrowing £19.4m for five years at a fixed rate of 5.786%, out of which existing ICG Longbow loan of £14.6m and a Shawbrook Bank loan of £1.2m was repaid. The loan is secured against all the properties owned by Metropolitan and City Properties and a fellow subsidiary undertaking, Meronlake Limited. The loan is interest only for the first year.

On 15 June 2022 the ownership of 100% of the issued share capital of Meronlake Limited was transferred from the Avenue Investments Limited to Metropolitan and City Properties Limited, a fellow subsidiary undertaking. This acquisition was at nominal value.

18. ULTIMATE CONTROLLING PARTY

There is 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.