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**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019  
FOR  
MARTIN'S PROPERTIES HOLDINGS LIMITED**

**COMPANY REGISTERED NUMBER: 00767976**

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#### **Company Information**

<b>Directors</b>	R Bourne B Tattar TH Martin
<b>Registered number</b>	00767976
<b>Registered office</b>	36 Walpole Street London SW3 4QS
<b>Business address</b>	36 Walpole Street London SW3 4QS
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street EC4A 4AB
<b>Banker</b>	Barclays Bank PLC UK Banking 1 Churchill Place London E14 5HP

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## **Martin's Properties Holdings Limited**

### **Strategic Report**

#### **For the Year Ended 31 March 2019**

The Directors present their strategic report together with the audited financial statements for the year ended 31 March 2019.

#### **Principal activity and review of the business**

The principal activity of the Company and its subsidiaries (the "Group") during the year was that of property investment, management and development. This includes the active management of the portfolio, redevelopment of assets within the portfolio and the acquisition of assets for letting, or where appropriate redevelopment. Additions to and disposals from the portfolio are shown in note 10 to the financial statements. The value of the Group's investment property portfolio was £267.2m at 31 March 2019, a decrease of £43.3m, 14.0% from the previous year. The decrease was driven by a number of asset disposals and a reclassification of existing properties as development work in progress.

The Group's turnover has increased to £17.8m (2018: £10.2m) driven by a number of new lettings in the year and the sales of a number of our development sites.

#### **Financial key performance indicators ("KPI's")**

The Directors consider the following KPI's to be important in the management of the Company's business, each is for the year ending 31 March 2019 or as at that date with comparative figures in brackets:

Rental income	£11.2m	(2018: £9.7m)
Investment portfolio value	£267.2m	(2018: £310.5m)
Development portfolio value	£25.9m	(2018: £nil)
Gearing	26.2%	(2018: 31.7%)
Net LTV	19.6%	(2018: 22.7%)

Overall rental income has improved year on year. This has been driven by redeveloped sites becoming income producing, the acquisition of Horticultural Place Developments Limited and higher commercial rents, offset by property disposals.

The investment and development portfolio was valued by an expert third party as at 31 March 2019. The overall result is a £1.5m decrease (2018: £1.4m increase) in the value at that date reflecting prevailing market conditions.

The Group's gross borrowings amounted to £83.5m after the completion of the £40m Aviva refinancing. Gearing has reduced to 26.2% (2018: 31.7%) thanks to a number of property disposals, the cash from which is expected to be reinvested into new assets in the following financial year. At the 31 March 2019, the Group had no unutilised facilities.

#### **Risk management**

The Directors have responsibility for the management of the risks facing the Group and the Company and the assessment and mitigation of those risks.

## **Martin's Properties Holdings Limited**

### **Strategic Report - continued For the Year Ended 31 March 2019**

The Directors are kept up to date through regular reviews of the general economic conditions and the likely impact on the business. The Directors monitor the financial performance of the Group and the Company at regular meetings where comparisons against budgets and forecasts are made together with a review of key performance indicators and key projects being undertaken by the Group and the Company.

Employment policies are controlled by the directors and IT policies, internal control systems and health and safety processes are regularly reviewed.

Operations are funded from operational cash flow and bank borrowings and the Directors regularly review these, ensuring that the latter are appropriate in relation to gearing levels, interest rate management and maturity profile. The management of cash and debt is monitored daily with short and medium-term cash forecasts prepared regularly and long-term cash forecasts discussed twice annually by the Directors. The Group and the Company are not exposed to financial derivatives or currency fluctuations. Compliance with financial borrowing covenants is reviewed regularly and reported quarterly to the relevant lenders. Such covenants are tested for sensitivities to the principal financial components of those covenants to ensure mitigating action can be taken if required.

As part of liquidity risk management, the financial stability of tenants, potential tenants and contractors is monitored as part of daily operations.

The property portfolio is currently largely concentrated in one geographical area of Central London but is widely diversified by type and is not dominated by any single tenant or any use type.

Construction projects under way are reviewed regularly to ensure they meet the obligations under any planning consents or contracts and finance agreements. The main risks lie in the cost of construction and the ability of the principal contractors to fulfil their obligations to the Company. The Directors monitor progress on a regular basis to ensure that the delivery of the project meets the obligations under the building contracts.

#### **Prospects**

The Directors consider that the business is actively and professionally managed and conservatively funded and that this provides a sound base from which to make continued growth.

A Group reorganisation took place post year-end. Further details can be found in note 23.

This report was approved by the board on 29 August 2019 and signed on its behalf.



B Tattar  
Director  
Date - 29 August 2019

**Martin's Properties Holdings Limited**

**REPORT OF THE DIRECTORS  
For the Year Ended 31 March 2019**

The Directors present their report together with the audited financial statements for the year ended 31 March 2019

**Dividends**

The total distribution of dividends for the year ended 31 March 2019 are £2,410,000 (2018: £2,425,000).

**Directors**

The Directors holding office during the year were:

R Bourne

B Tattar

M Hussey (Resigned 5 June 2019)

EC Carlton-Smith (Resigned 5 June 2019)

TH Martin

J Moriarty (Resigned 5 June 2019)

R Newman (Resigned 5 June 2019)

PW Nicholson (Resigned 30 September 2018)

N Sachdev (Resigned 31 December 2018)

**Charitable and political contributions**

During the year the Group made charitable contributions of £165,000 (2018: £125,000) to Martin's Charitable Trust.

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, 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). 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Martin's Properties Holdings Limited**

**REPORT OF THE DIRECTORS - continued**  
**For the Year Ended 31 March 2019**

**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.

**Going concern**

The Group's investment properties are let to a variety of tenants and generate rental income substantially in excess of finance and administration costs, generating a positive cash flow. The value of the Group's assets is substantially in excess of its liabilities. Accordingly, the Directors consider that the Group should be able to pay its liabilities as they fall due for the foreseeable future and consequently have concluded that it is appropriate to adopt the going concern basis for the preparation of the financial statements.

**Auditors**

The auditors, RSM UK Audit LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

In accordance with section 414c(ii) of the Companies Act 2006, included in the Strategic Report is the Review of Business, principal risks and uncertainties and key performance indicators. This information would have been required by section 7 of the 'large and medium' sized Companies and Group (Accounts and Reports) Regulations 2008 to be contained within the Directors Report.

This report was approved by the board on 29 August 2019 and signed on its behalf.



B Tattar  
Director

**Martin's Properties Holdings Limited**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARTIN'S PROPERTIES HOLDINGS LIMITED  
For the Year Ended 31 March 2019**

**Opinion**

We have audited the financial statements of Martin's Properties Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2019 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**

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

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

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and 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 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, 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.*

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



**Martin's Properties Holdings Limited**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARTIN'S PROPERTIES HOLDINGS LIMITED - continued**  
**For the Year Ended 31 March 2019**

**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 Strategic Report or 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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.

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

*RSM UK Audit LLP*

Christopher Tate (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date: *29<sup>th</sup> August 2019*

Martin's Properties Holdings Limited

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2019**

	Notes	2019 £	2018 £
TURNOVER	2	17,785,232	10,242,437
Cost of sales		(5,606,017)	-
Direct property costs		<u>(1,551,260)</u>	<u>(1,388,881)</u>
GROSS PROFIT		10,627,955	8,853,556
Administrative expenditure		(4,559,743)	(3,743,630)
Other operating income		70,490	165,986
Fair value gains on investment properties		<u>(1,494,977)</u>	<u>1,419,777</u>
OPERATING PROFIT	5	4,643,725	6,695,689
Profit/(Loss) on disposal of investment properties		656,430	(148,437)
Interest receivable and similar income	3	113,697	257,801
Interest payable and similar charges	4	<u>(3,174,489)</u>	<u>(2,430,082)</u>
Profit on ordinary activities before taxation		2,239,363	4,374,971
Taxation	8	<u>(1,488,539)</u>	<u>(1,666,814)</u>
PROFIT FOR THE FINANCIAL YEAR		750,824	2,708,157
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>750,824</u>	<u>2,708,157</u>

Martin's Properties Holdings Limited

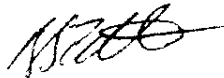
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 31 March 2019

COMPANY REGISTERED NUMBER: 00767976

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	10	267,218,541	310,542,461
Investments	11	-	100,000
		<u>267,218,541</u>	<u>310,642,461</u>
<b>CURRENT ASSETS</b>			
Debtors: Due within one year	13	13,347,292	16,822,745
Work in progress	12	25,946,825	-
Cash at bank		<u>25,534,873</u>	<u>3,097,124</u>
		64,928,990	19,919,869
<b>CURRENT LIABILITIES</b>			
CREDITORS: Amounts falling due within one year	14	(7,157,591)	(9,896,902)
<b>NET CURRENT ASSETS</b>		<u>57,771,399</u>	<u>10,022,967</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		324,989,940	320,665,428
CREDITORS: Amounts falling due after more than one year	15	(81,470,032)	(72,506,834)
PROVISIONS FOR LIABILITIES	16	(24,093,890)	(27,073,400)
<b>NET ASSETS</b>		<u>219,426,018</u>	<u>221,085,194</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	2,096	2,096
Share premium	18	2,868,397	2,868,397
Fair value reserve	18	50,732,803	76,962,235
Profit and loss account	18	165,822,722	141,252,466
<b>TOTAL EQUITY</b>		<u>219,426,018</u>	<u>221,085,194</u>

The financial statements on pages 10 to 31 were approved by the board of directors and authorised for issue on 29 August 2019 and signed on the behalf by:

B Tattar  
Director



Date - 29 August 2019

Martin's Properties Holdings Limited

COMPANY STATEMENT OF FINANCIAL POSITION  
As at 31 March 2019

COMPANY REGISTERED NUMBER: 00767976

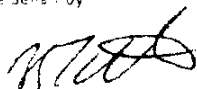
	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	10	94,264,000	114,224,415
Investments	11	<u>121,244,678</u>	<u>121,244,678</u>
		<u>215,508,678</u>	<u>235,469,093</u>
<b>CURRENT ASSETS</b>			
Debtors	13	66,815,769	64,893,597
Work in progress	12	8,663,712	-
Cash at bank		<u>22,681,262</u>	<u>1,676,508</u>
		<u>98,160,743</u>	<u>66,570,105</u>
<b>CURRENT LIABILITIES</b>			
CREDITORS: Amounts falling due within one year	14	<u>(48,270,726)</u>	<u>(28,588,487)</u>
<b>NET CURRENT ASSETS</b>		<u>49,890,017</u>	<u>37,982,618</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>265,398,695</u>	<u>273,450,711</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(37,451,954)</u>	<u>37,986,042)</u>
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(13,027,457)</u>	<u>(15,415,543)</u>
<b>NET ASSETS</b>		<u>214,919,284</u>	<u>220,049,126</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	2,096	2,096
Share premium	18	2,868,397	2,868,397
Fair value reserve	18	15,575,443	24,770,697
Profit and loss account	18	<u>196,473,348</u>	<u>192,407,936</u>
<b>TOTAL EQUITY</b>		<u>214,919,284</u>	<u>220,049,126</u>

As permitted under Section 408 of the Companies Act 2006 the parent company profit and loss account has not been disclosed

The financial statements on pages 10 to 31 were approved by the board of directors and authorised for issue on 29 August 2019 and signed on the behalf of

B Tactar  
Director

Date: 29 August 2019



Martin's Properties Holdings Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

	Share capital	Share premium	Fair value reserve	Profit and loss account	Total
	£	£	£	£	£
<b>Balance at 1 April 2017</b>	2,096	2,868,397	81,061,178	136,870,366	220,802,037
Transfer of unrealised revaluation gains from income statement to fair value	-	-	1,419,777	(1,419,777)	-
Transfer of unrealised and realised deferred tax from income statement to fair value	-	-	900,545	(900,545)	-
Transfer of realised revaluation gains from fair value to income statement	-	-	(6,159,490)	6,159,490	-
Transfer of short leasehold amortisation to profit and loss account	-	-	(259,775)	259,775	-
Dividends	-	-	-	(2,425,000)	(2,425,000)
Total comprehensive income for the year	-	-	-	2,708,157	2,708,157
<b>Balance at 31 March 2018</b>	<b>2,096</b>	<b>2,868,397</b>	<b>76,962,235</b>	<b>141,252,466</b>	<b>221,085,194</b>
	£	£	£	£	£
<b>Balance at 1 April 2018</b>	2,096	2,868,397	76,962,235	141,252,466	221,085,194
Transfer of unrealised revaluation gains from income statement to fair value	-	-	(1,494,977)	1,494,977	-
Transfer of unrealised and realised deferred tax from income statement to fair value	-	-	2,979,510	(2,979,510)	-
Transfer of realised revaluation gains from fair value to income statement	-	-	(27,651,166)	27,651,166	-
Transfer of short leasehold amortisation to profit and loss account	-	-	(62,799)	62,799	-
Dividends	-	-	-	(2,410,000)	(2,410,000)
Total comprehensive income for the year	-	-	-	750,824	750,824
<b>Balance at 31 March 2019</b>	<b>2,096</b>	<b>2,868,397</b>	<b>50,732,803</b>	<b>165,822,722</b>	<b>219,426,018</b>

**Martin's Properties Holdings Limited**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 March 2019**

	Share capital	Share premium	Fair value reserve	Profit and loss account	Total
	£	£	£	£	£
<b>Balance at 1 April 2017</b>	2,096	2,868,397	25,053,080	192,109,626	220,033,199
Transfer of unrealised revaluation gains from income statement to fair value	-	-	75,870	(75,870)	-
Transfer of short leasehold amortisation	-	-	(36,445)	36,445	-
Transfer of realised revaluation gains from fair value to income statement	-	-	(321,808)	321,808	-
Dividends	-	-	-	(2,425,000)	(2,425,000)
Total comprehensive income for the year	-	-	-	2,440,929	2,440,929
<b>Balance at 31 March 2018</b>	<b>2,096</b>	<b>2,868,397</b>	<b>24,770,697</b>	<b>192,407,936</b>	<b>220,049,126</b>
	£	£	£	£	£
<b>Balance at 1 April 2018</b>	2,096	2,868,397	24,770,697	192,407,936	220,049,126
Transfer of unrealised revaluation gains from income statement to fair value	-	-	(5,075,194)	5,075,194	-
Transfer of short leasehold amortisation	-	-	(34,014)	34,014	-
Transfer of realised revaluation gains from fair value to income statement	-	-	(6,474,132)	6,474,132	-
Transfer of unrealised deferred tax to profit and loss account	-	-	2,388,086	(2,388,086)	-
Dividends	-	-	-	(2,410,000)	(2,410,000)
Total comprehensive income for the year	-	-	-	(2,719,842)	(2,719,842)
<b>Balance at 31 March 2019</b>	<b>2,096</b>	<b>2,868,397</b>	<b>15,575,443</b>	<b>196,473,348</b>	<b>214,919,284</b>

Martin's Properties Holdings Limited

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended 31 March 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit before tax	2,239,363	4,374,971
Adjustment of non-cash items		
Property sales profit/(loss)	(656,430)	148,437
Fair value gains	1,494,977	(1,419,777)
WIP impairment	310,330	-
Interest receivable	474,265	(252,995)
Interest payable and finance costs	170,397	727,275
Depreciation	100,535	334,864
Cash inflows from operations before changes in working capital	4,133,437	3,912,775
(Increase)/decrease in receivables and prepayments	839,209	(2,853,703)
Decrease in trade payables and accruals	(2,739,312)	2,340,359
Tax paid	(4,260,000)	(378,444)
Cash flows from operating activities	(2,026,666)	3,020,986
<b>Cash flows from investing activities</b>		
Loan made to group companies	(2,664,481)	(6,658,268)
Loan made to related parties		404
Proceeds of the sale from investment property	29,959,431	6,776,563
Acquisitions of investment property	(4,630,000)	(21,198,844)
Net cash used in investing activities	22,664,950	(21,080,145)
<b>Cash flows from financing activities</b>		
Borrowings repaid	(35,091,472)	(3,306,622)
Borrowings drawn down	39,405,938	20,000,000
Dividends paid	(2,415,000)	(2,425,000)
Net cash generated from financing activities	1,899,466	14,268,378
Net increase/(decrease) in cash and cash equivalents	22,537,750	(3,790,781)
Cash and cash equivalents at start of year	3,097,123	6,887,904
Cash and cash equivalents at end of year	25,634,873	3,097,123

## **Martin's Properties Holdings Limited**

### **Notes to the financial statements For the Year Ended 31 March 2019**

#### **Statutory information**

Martin's Properties Holdings Limited (the "Company") is a private company limited by shares, incorporated in England & Wales under the Companies Act 2006. The Company's principal activities are set out in the Directors' report. The registered office is 36 Walpole Street, London, SW3 4QS.

#### **Consolidated financial statements**

The consolidated financial statements for the year ended 31 March 2019 comprise the results of the Company and its subsidiaries (together constituting the "Group").

#### **Statement of compliance**

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value.

The functional currency is the Pound Sterling (£) and the figures are presented in round pounds.

The following principal accounting policies have been applied:

#### **Parent company disclosure exemptions**

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the financial year has been presented as the reconciliations for the group and parent company would be identical;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group; and
- No disclosure has been made for the aggregate remuneration of the key management personal of the parent company as their remuneration is included in the figures for the group as a whole.
- As is permissible under Section 408 of the Companies Act 2006 the parent company profit and loss account has not been disclosed.

#### **1. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

#### **Basis of consolidation**

The consolidated financial statements incorporate those of Martin's Properties Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits) other than those disclosed in note 11. Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2019

#### **Work in progress**

Land and developments held for sale are work in progress and are included in the Balance Sheet at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to completion and estimated costs necessary to make the sale.



## **Martin's Properties Holdings Limited**

### **Notes to the financial statements For the Year Ended 31 March 2019**

#### **Turnover**

Turnover represents rental income and other property related income receivable in the year and is stated exclusive of Value Added Tax.

#### **Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

#### **Finance costs**

Finance costs of debt are recognised in the statement of comprehensive income over the term of such instruments at a constant rate on the carrying amount.

Interest directly attributable to the construction of tangible fixed assets, incurred up to the time that identifiable major capital projects are ready for service, is capitalised as part of the cost of the assets.

#### **Tenant incentives**

Incentive payments to new tenants to occupy the Group's investment properties are treated as a reduction in revenue and initially recorded as prepayments. The prepayments are charged to profit or loss over the term of the lease. Where such prepayments relate to investment properties, the properties are carried at fair value less the amount of the unamortised incentive.

Upon the disposal of an investment property, any unamortised lease incentives are deducted from rents receivables, unless they are of a capital nature, in which case they are included in the calculation of the profit or loss arising on the disposal.

#### **Tangible fixed assets**

Tangible fixed assets other than investment properties are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than investment properties (except where the lease term is less than 20 years) at rates calculated to write each asset down to its estimated residual value over its expected useful life as follows:-

Leasehold investment properties - Over the lease term

Plant and machinery - 10-30% per annum using both straight line and reducing balance methods

Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the statement of comprehensive income.

The directors consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view. The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of changes in equity until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the profit and loss account.

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## Martin's Properties Holdings Limited

### Notes to the financial statements For the Year Ended 31 March 2019

#### Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Other fixed asset investments are stated at cost less any provision for impairment.

#### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities that will be assessed to or allowed for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments (Issues)' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

## **Martin's Properties Holdings Limited**

### **Notes to the Financial Statements**

**For the Year Ended 31 March 2019**

#### **Financial instruments (continued)**

##### **Financial assets**

###### **Trade debtors**

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

###### **Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

###### **Trade Creditors**

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

###### **Borrowings**

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost. Interest expense and the amortised cost is included in interest payable and other similar charges.

###### **Pension costs and other post-retirement benefits**

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

###### **Going concern**

The Group's investment properties are let to a variety of tenants and generate rental income substantially in excess of finance and administration costs, generating a positive cash flow. The value of the Group's assets is substantially in excess of its liabilities. Accordingly, the Directors consider that the Group should be able to pay its liabilities as they fall due for the foreseeable future and consequently have concluded that it is appropriate to adopt the going concern basis for the preparation of the financial statements.

###### **Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to valuation of investment properties. The directors use information provided by third party chartered surveyors to revalue investment properties to their fair value at the year end date. The fair value of the investment properties is usually considered to be their market value.

**Martin's Properties Holdings Limited**

**Notes to the Financial Statements  
For the Year Ended 31 March 2019**

<b>2. Turnover</b>	2019	2018
	£	£
The Group's turnover was all derived from its principal activities wholly undertaken within the United Kingdom		
Rent receivable	11,208,544	9,709,990
Development sales	6,497,480	-
Property management fee and other income	79,208	532,447
	<u>17,785,232</u>	<u>10,242,437</u>
<b>3. Interest receivable</b>	2019	2018
	£	£
Interest receivable from related parties	-	252,995
Bank interest receivable	113,697	4,806
	<u>113,697</u>	<u>257,801</u>
<b>4. Interest payable and similar charges</b>	2019	2018
	£	£
Interest on Bank loans and overdrafts	2,569,627	2,277,888
Interest payable to related parties	474,265	-
Finance costs amortisation	130,597	301,584
Interest capitalised	-	(149,390)
	<u>3,174,489</u>	<u>2,430,082</u>
<b>5. Operating profit</b>		
The operating profit is stated after charging	2019	2018
	£	£
Amortisation on short leasehold properties	90,053	259,775
Depreciation of tangible fixed assets	10,482	79,839
Auditor's remuneration	67,000	65,850
	- audit of statutory financial statements	
	33,700	53,575
	- taxation compliance and advisory work	
Profit/(loss) on disposal of fixed assets	656,430	(148,437)
Work in progress charged to P&I account	310,330	-
	<u>1,268,192</u>	<u>444,542</u>

**Martin's Properties Holdings Limited**

**Notes to the Financial Statements  
For the Year Ended 31 March 2019**

<b>6. Employees</b>	2019	2018
Staff costs, including directors' remuneration, were as follows	£	£
Wages and salaries	2,959,498	1,798,978
Social security costs	285,507	190,058
Pension costs	33,896	34,150
	<u>3,278,901</u>	<u>2,023,186</u>

The average number of employees (including directors) employed by the Group during the year was 23 (2018: 21). The Company has no employees (2018: nil)

<b>7. Directors' remuneration</b>	2019	2018
	£	£
Directors' emoluments	1,441,659	904,338
Pension cost	8,640	7,600
	<u>1,450,299</u>	<u>911,938</u>

The highest paid director received remuneration of £462,152 (2018: £278,845). Aggregate pension contributions of £8,640 (2018: £7,600) were paid in respect of this director.

Contributions were paid, in respect of 1 director (2018: 1) towards their defined contribution pension schemes.

The directors are considered to be the key management personnel and consequently the above reflects total compensation paid to such individuals

Martin's Properties Holdings Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2019

	Group	
	2019	2018
	£	£
<b>8. Taxation</b>		
<b>Current tax</b>		
UK Corporation tax recognised in the profit and loss at 19% (2018: 19%)	4,938,168	2,083,697
Adjustments for prior years	(470,119)	-
Total current tax	4,468,049	2,083,697
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,979,510)	(416,883)
Tax charge on profit on ordinary activities	1,488,539	1,666,814
Profit on ordinary activities before tax	2,239,363	4,375,123
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	425,479	831,273
Effects of:		
Expenses not deductible for tax purposes	34,048	53,017
Fixed asset differences		
Adjustment for prior years	(470,119)	-
Effects of indexation and tax rate changes on fair value gain on investment property	1,499,131	810,612
Deferred tax not recognised	-	(28,088)
Total tax charge for the year	1,488,539	1,666,814
Factors that may affect future tax charges		
There were no factors that may affect future tax charges		
<b>9. Dividends</b>		
	2019	2018
	£	£
Interim dividends paid on ordinary shares at £11.57 per share		2,425,000
Interim dividends paid on ordinary shares at £11.50 per share	2,410,000	-
	2,410,000	2,425,000

Martin's Properties Holdings Limited

Notes to the Financial Statements

10. Tangible fixed assets

Group	Investment Properties				Total
	Freehold	Leasehold	Short leasehold	Plant and machinery	
	£	£	£	£	£
Cost or valuation					
At 1 April 2018	199,893,197	108,082,000	4,447,354	353,812	312,776,363
Additions	5,381,042	-	-	5,259	5,386,301
Transfers into stock	(17,671,803)	-	-	-	(17,671,803)
Disposals	(18,504,000)	(9,099,000)	(1,700,000)	-	(29,303,000)
Revaluation	3,389,065	(4,910,000)	(113,947)	-	(1,634,882)
At 31 March 2019	172,487,501	94,073,000	2,633,407	359,071	269,552,979
Depreciation					
At 1 April 2018	-	-	1,899,355	334,548	2,233,903
Charge for the year	-	-	90,053	10,482	100,535
Released on disposal	-	-	-	-	-
At 31 March 2019	-	-	1,989,408	345,030	2,334,438
Net book value					
At 31 March 2019	172,487,501	94,073,000	643,999	14,041	267,218,541
At 31 March 2018	199,893,197	108,082,000	2,547,999	19,265	310,542,461

Included within Investment Properties is land and buildings used by the group amounting to £2,000,000 (2018 £1,130,785). Depreciation has not been charged as it is not material. The value of the properties pledged as security for third party borrowing is £180.9m.

On an historical cost basis the investment properties would have been included at

	2019	2018
	£	£
Cost	218,946,833	229,698,797
Investment properties at cost comprise:		
Freehold	150,811,842	159,303,273
Long leasehold	67,905,628	70,116,159
Short leasehold	229,363	279,365
	218,946,833	229,698,797

The fair value of the Group's investment properties at 31 March 2019 was calculated by the directors on the basis of information provided by third party chartered surveyors

During the year, no interest costs (2018: £149,350) directly attributable to the financing of investment property developments were capitalised

**Martin's Properties Holdings Limited**

**Notes to the Financial Statements**

**10. Tangible fixed assets (continued)**

Company	Freehold £	Leasehold £	Short leasehold £	Plant and machinery £	Total £
Cost or valuation					
At 1 April 2018	23,602,415	90,248,000	988,265	53,848	114,892,528
Additions	-	-	-	-	-
Transfer into stock	(11,291,504)	-	-	-	(11,291,504)
Disposals	(3,554,000)	-	-	-	(3,554,000)
Revaluation	(687,911)	(4,358,000)	(29,283)	-	(5,075,194)
At 31 March 2019	<u>8,069,000</u>	<u>85,890,000</u>	<u>958,982</u>	<u>53,848</u>	<u>94,971,830</u>
Depreciation					
At 1 April 2018	-	-	614,265	53,848	668,113
Charge for the year	-	-	39,717	-	39,717
Released on disposal	-	-	-	-	-
At 31 March 2019	<u>-</u>	<u>-</u>	<u>653,982</u>	<u>53,848</u>	<u>707,830</u>
Net book value					
At 31 March 2019	<u>8,069,000</u>	<u>85,890,000</u>	<u>305,000</u>	<u>-</u>	<u>94,264,000</u>
At 31 March 2018	<u>23,602,415</u>	<u>90,248,000</u>	<u>374,000</u>	<u>-</u>	<u>114,224,415</u>

On an historical cost basis the investment properties would have been included at

	2019 £	2018 £
<b>Cost</b>	<u>76,365,180</u>	<u>80,379,497</u>
Investment properties at cost comprise:		
Freehold	9,053,697	13,062,314
Long leasehold	67,263,513	67,263,513
Short leasehold	47,970	53,670
	<u>76,365,180</u>	<u>80,379,497</u>

The fair value of the Company's investment properties at 31 March 2019 was calculated by the directors on the basis of information provided by third party chartered surveyors.



# Martin's Properties Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 11. Fixed asset investments

Group	Investment in associates
	£
Cost	
At 1 April 2018	100,000
Sale	(100,000)
At 31 March 2019	-

The Old Printworks Chelsea Limited was sold in the year

Company	Investments in subsidiaries	Other participating interest	Total
	£	£	£
Cost and net book value			
At 1 April 2018 and at 31 March 2019	121,244,678	-	121,244,678

### Subsidiaries

#### Shares or beneficial interest held

Company	Class	%	Principal activity	Direct/Indirect
<b>Subsidiary and other undertakings</b>				
Radnor Walk (WH) Limited	Ordinary	100	Dormant*	Direct
Radnor Walk (WH) No2 Limited	Ordinary	100	Dormant*	Direct
Martin's Properties (Chelsea) Limited	Ordinary	100	Property investment	Direct
Martin's Estate (Clerkenwell) Limited	Ordinary	100	Property investment	Direct
Martin's Properties (Radnor Walk) Limited	Ordinary	100	Property investment	Direct
Martin's Design and Construction Limited	Ordinary	100	Property investment	Direct
Martin's Properties (Parsons Green) Limited	Ordinary	100	Property investment	Direct
Martins Properties No.1 Limited	Ordinary	100	Property investment	Indirect
25 Oxshott Rise Limited	Ordinary	100	Property investment	Indirect
Radnor Walk (KR) Limited	Ordinary	100	Property investment	Indirect
Martin's Properties (Kensington) Limited	Ordinary	100	Dormant	Direct
Horticultural Place Developments Limited	Ordinary	100	Property investment	Direct

\* The subsidiaries are dormant and not considered material and are, therefore, not consolidated.

All of the above subsidiaries have the same registered office as the company.

By virtue of Section 479A of the Companies Act 2006 the companies listed below are exempt from the Companies Act requirements relating to the audit of the individual accounts:

Martin's Properties (Chelsea) Limited  
Martin's Estate (Clerkenwell) Limited  
Martin's Properties (Radnor Walk) Limited  
Martin's Properties (Parsons Green) Limited  
Martins Properties No.1 Limited  
25 Oxshott Rise Limited  
Radnor Walk (KR) Limited

Martin's Properties Holdings Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2019

12. Work in progress

	Company 2019 £	Company 2018 £
Work in progress	8,663,712	-
	<u>8,663,712</u>	<u>-</u>
	Group 2019 £	Group 2018 £
Work in progress	25,946,825	-
	<u>25,946,825</u>	<u>-</u>

During the year, an impairment loss on work in progress of £310,330 (2018: nil) was recognised within direct property costs. No earlier work in progress write downs have been reversed during the current, or preceding period.

**Martin's Properties Holdings Limited**

**Notes to the Financial Statements  
For the Year Ended 31 March 2019**

**13. Debtors**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due in less than one year				
Trade debtors	1,065,689	2,544,569	67,007	57,327
Amounts owed by group companies	3,816,919	2,961,497	31,803,424	29,333,858
Amounts due from related parties	6,071,616	10,100,979	-	-
Other debtors	1,744,926	284,860	85,365	15,054
Other taxes and social security	-	-	91,156	114,774
Prepayments and accrued income	648,142	930,840	88,730	138,174
External loans	-	-	-	3,571,050
	<u>13,347,292</u>	<u>16,822,745</u>	<u>32,135,682</u>	<u>33,230,237</u>
Amounts falling due after more than one year				
Amounts owed by group companies	-	-	34,680,087	31,663,360
	<u>13,347,292</u>	<u>16,822,745</u>	<u>66,815,769</u>	<u>64,893,597</u>

In the Company, amounts due from group and related parties due within and after one year are interest free, unsecured and repayable on demand

**14. Creditors: Amounts falling due within one year:**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	500,000	500,000	-	-
Trade creditors	173,178	3,033,723	46,561	1,441,490
Amounts owed to group companies	-	-	45,086,752	24,978,612
Amounts due to related parties	-	2,523	-	-
Other creditors	1,695,763	979,252	862,107	609,628
Corporation tax	2,092,525	2,385,953	1,298,334	495,759
Other tax and social security costs	-	333,752	-	-
Accruals and deferred income	2,696,125	2,661,699	976,972	1,062,998
	<u>7,157,591</u>	<u>9,896,902</u>	<u>48,270,726</u>	<u>28,558,487</u>

Amounts owed to and by group companies are interest free and repayable on demand

Martin's Properties Holdings Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2019

15. Creditors: Amounts falling due in more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £		
Bank loans	82,523,700	73,023,700	38,116,175	38,116,175		
Unamortised arrangement fee	(1,053,668)	(516,866)	(664,221)	(130,133)		
	<u>81,470,032</u>	<u>72,506,834</u>	<u>37,451,954</u>	<u>37,986,042</u>		
Bank loan analysis						
Amount falling due within one year	500,000	500,000				
Over one and under two years	500,000	500,000				
Over two and under five years	9,000,000	39,500,000				
Over five years	<u>73,023,700</u>	<u>33,023,700</u>	<u>38,116,175</u>	<u>38,116,175</u>		
	<u>83,023,700</u>	<u>73,523,700</u>	<u>38,116,175</u>	<u>38,116,175</u>		
Interest rates - Group						
	%	Expiry	2019	%	Expiry	2018
Fixed rate borrowings						
- fixed rate	3.02	Jun 2026	17,023,700	3.02	Jun 2026	17,023,700
- fixed rate	3.36	Jun 2031	16,000,000	3.36	Jun 2031	16,000,000
- fixed rate	2.80	Mar 2028	40,000,000			
Floating rate borrowings						
- margin plus LIBOR	2.38	Dec 2022	10,000,000	2.38	Dec 2022	10,500,000
- margin plus LIBOR	2.75	Sep 2020	-	2.75	Sep 2020	30,000,000
			<u>83,023,700</u>			<u>73,523,700</u>

The external loans are secured by legal charges over certain freehold and long leasehold properties. At the year end there were no unused facilities (2018: nil).

Martin's Properties Holdings Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2019

16. Provisions for liabilities - Deferred tax

Deferred tax	Group	Company
	£	£
At 1 April 2018	27,073,400	15,415,543
Charged to the statement of comprehensive income	(2,979,510)	(2,388,086)
At 31 March 2019	<u>24,093,890</u>	<u>13,027,457</u>

The brought forward and carried forward provision primarily relates to the deferred tax arising on the revaluation of investment properties in both the group and company.

17. Share capital

Group and company	No. of shares	£
Allotted, issued and fully paid		
At 1 April 2018		
A ordinary shares of £0.01 each	45,500	455
B ordinary shares of £0.01 each	54,500	545
	<u>100,000</u>	<u>1,000</u>
Issue of Bonus share		
A ordinary shares of £0.01 each	2,418	24
B ordinary shares of £0.01 each	793	8
	<u>3,211</u>	<u>32</u>
Issue of shares in consideration for group reorganisation		
A ordinary shares of £0.01 each	32,673	327
C ordinary shares of £0.01 each	73,758	737
	<u>106,431</u>	<u>1,064</u>
At 31 March 2018 and 31 March 2019	A all ordinary shares of £0.01 each	<u>209,542</u> <u>2,096</u>

'A' Ordinary shares have the right to vote, the right to receive a dividend and to participate in a distribution (including on winding up). 'A' Ordinary shares are not redeemable.

'B' Ordinary shares have the right to receive a dividend and to participate in a distribution (including on winding up). 'B' Ordinary shares are not redeemable.

'C' Ordinary shares have the right to vote, the right to receive a dividend and to participate in a distribution (including on winding up). 'C' Ordinary shares are not redeemable.

## Martin's Properties Holdings Limited

### Notes to the Financial Statements For the Year Ended 31 March 2019

#### 18. Reserves

Reserves represent the following

Fair value reserve

This fair value reserve represents unrealised profits that have been transferred from the profit and loss reserve (in respect of land and buildings). As these profits become realised they are transferred back to the profit and loss account.

Other reserve

The fair value of shares issued by a group entity arising from historic group reconstructions.

Share Premium

Consideration received for shares issued above the nominal value of those shares net of any transaction costs.

Retained earnings

Retained earnings represent accumulated comprehensive income for the year and prior periods.

#### 19. Contingent liabilities

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Guarantees in respect of VAT group registration	-	-	(324,758)	433,882

The Company has provided guarantees in connection with redevelopment works at properties owned by subsidiary companies.

## Martin's Properties Holdings Limited

### Notes to the Financial Statements For the Year Ended 31 March 2019

#### 20. Capital commitments

At the balance sheet date, the Group has entered into contracts for £15.5m (2018: £8.6m) for the redevelopment of certain properties. This amount is not provided for within the financial statements.

#### 21. Related party transactions

##### Company

The Company has taken advantage of the exemption in FRS 102 Section 33 from the requirement to disclose transactions with wholly owned Group companies on the grounds that consolidated financial statements are prepared.

##### Group

R Newman, a director of the Company, is a partner in Wallace LLP. Wallace LLP provided legal services to the group on an arm's length basis amounting to £352,329 during the year (2018: £314,737).

A director used a company bank account to settle a personal liability of £201,458. No company funds were used. During the year Martin's Properties Chelsea Limited acquired a 35% share of a property owned by the Martin's of Chelsea Executive Pension Scheme, of which it is the principal employer. £4.0m was owed to Martin's Properties Chelsea Limited by the Pension Scheme at year end.

Included within Amounts due from related parties is a £2.1m (2018: £2.1m) loan from Martin's Property Holdings Limited to Martin's Properties (OS) Limited. No interest is charged on this loan.

#### 22. Financial instruments

The carrying amounts of the Group's financial instruments at 31 March were:

	2019 £	2018 £
Financial assets:		
Measured at amortised cost	38,334,024	18,989,028
Financial liabilities:		
Measured at amortised cost	83,838,973	77,356,085

#### 23. Post balance sheet events

On the 7th May 2019 a reorganisation of the Martin's Properties Holdings Group took place. The Group was split into two independent property owning Groups and a number of subsidiaries were transferred to entities of common ownership. The entities transferred are detailed below:

Radnor Walk (KR) Limited was transferred to Martin's MUSE Limited for £26.8m settled by way of intercompany consideration.

Martin's Properties (Parsons Green) Limited was transferred to Martin's MUSE Limited for £6.9m settled by way of intercompany consideration.

These transactions had no impact for corporation tax purposes.

#### 24. Control

The immediate and ultimate parent company and controlling party is Martin's Family Holdings Limited, a company registered in England and Wales, copies of its financial statements are available from Companies House.