

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
FOR
Martin's Properties (Chelsea) Limited**



COMPANY REGISTERED NUMBER : 00533856

Martin's Properties (Chelsea) Limited

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For The Year Ended 31 March 2020

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Martin's Properties (Chelsea) Limited

COMPANY INFORMATION

For The Year Ended 31 March 2020

DIRECTORS: T H Martin
R Bourne

REGISTERED OFFICE: 36 Walpole Street
London
SW3 4QS

REGISTERED NUMBER: 00533856 (England and Wales)

Martin's Properties (Chelsea) Limited

REPORT OF THE DIRECTORS

For The Year Ended 31 March 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment, development, management and maintenance.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

T H Martin

R C Bourne

Other changes in directors holding office are as follows:

B S Tattar (resigned 30 October 2020)

P A G Martin (resigned 5 June 2019)

E C Carlton-Smith (resigned 5 June 2019)

J Moriarty (resigned 5 June 2019, reappointed 7 January 2021)

R Hussey (resigned 5 June 2019)

D Brown (appointed 21 December 2020)

CHARITABLE CONTRIBUTIONS

During the year the company made no charitable donations (2019: £9,200)

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These accounts are prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

ON BEHALF OF THE BOARD:



D Brown - Director

Date: 23/3/21

Martin's Properties (Chelsea) Limited

STATEMENT OF COMPREHENSIVE INCOME For The Year Ended 31 March 2020

	Notes	2020 £	2019 £
TURNOVER	3	3,020,000	3,384,986
Direct property costs		<u>(2,863,875)</u>	<u>(360,808)</u>
GROSS PROFIT		156,125	3,024,178
Administrative expenditure		<u>(48,546)</u>	<u>(4,120,509)</u>
		107,579	(1,096,331)
Other operating income		1,500	-
FV gains on investment properties		<u>-</u>	<u>2,351,477</u>
OPERATING PROFIT	5	109,079	1,255,146
Interest receivable and similar income	6	1,630,140	8,138
Profit/loss on disposal of fixed asset investments		-	609,001
Interest payable and similar expenses	7	<u>(421,541)</u>	<u>(1,317,666)</u>
PROFIT BEFORE TAXATION		1,317,678	554,619
Tax on profit	8	<u>6,658,680</u>	<u>(1,160,611)</u>
PROFIT FOR THE FINANCIAL YEAR		7,976,358	(605,992)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>7,976,358</u></u>	<u><u>(605,992)</u></u>

STATEMENT OF FINANCIAL POSITION as at 31 March 2020

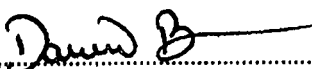
	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	9	-	82,529,544
Investments	11	23	23
		<u>23</u>	<u>82,529,567</u>
CURRENT ASSETS			
Work in progress	10	6,581,741	4,449,092
Debtors	12	45,639,014	61,259,283
Cash at bank		606,690	618,920
		<u>52,827,445</u>	<u>66,327,295</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(3,410,725)</u>	<u>(18,985,438)</u>
NET CURRENT ASSETS		<u>49,416,720</u>	<u>47,341,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		49,416,743	129,871,424
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	-	(27,591,966)
PROVISIONS FOR LIABILITIES	15	-	(6,231,097)
NET ASSETS		<u>49,416,743</u>	<u>96,048,361</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,504	1,504
Share premium	17	15,002,004	15,002,004
Fair value reserve	17	-	24,001,274
Retained earnings	17	34,413,235	57,043,579
SHAREHOLDERS' FUNDS		<u>49,416,743</u>	<u>96,048,361</u>

For the period ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 23 / 3 / 21 and were signed on its behalf by:



D Brown - Director

Martin's Properties (Chelsea) Limited

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2020

	Called up share capital	Retained earnings	Share premium	Fair Value reserve	Total equity
	£	£	£	£	£
Balance at 31 March 2018	1,504	40,860,902	15,002,004	40,789,942	96,654,352
Changes in equity					
Transfer of unrealised revaluation gains/(losses)	-	(2,351,477)	-	2,351,477	-
Transfer of short leasehold amortisation	-	28,785	-	(28,785)	-
Transfer of unrealised deferred tax	-	(1,401,963)	-	1,401,963	-
Transfer of realised deferred tax	-	-	-	-	-
Transfer of realised revaluations gains/(losses)	-	20,513,323	-	(20,513,324)	-
Total comprehensive income	-	(605,991)	-	-	(605,991)
Balance at 31 March 2019	1,504	57,043,579	15,002,004	24,001,273	96,048,361
Changes in equity					
Transfer of unrealised revaluation gains/(losses)	-	-	-	-	-
Transfer of short leasehold amortisation	-	-	-	-	-
Dividend	-	(54,607,976)	-	-	(54,607,976)
Transfer of realised deferred tax	-	(6,231,097)	-	6,231,097	-
Transfer of realised revaluations gains/(losses)	-	30,232,370	-	(30,232,370)	-
Total comprehensive income	-	7,976,358	-	-	7,976,358
Balance at 31 March 2020	1,504	34,413,234	15,002,004	-	49,416,743

Martin's Properties (Chelsea) Limited

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2020

1. STATUTORY INFORMATION

Martin's Properties (Chelsea) 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 Company Information page

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Related party exemption

The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Critical accounting judgements and key sources of estimation uncertainty

The Company 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 year end date. The fair value of the investment properties is usually considered to be their market value.

Turnover

Turnover represents rent and other property income receivable in the period and is stated exclusive of Value Added Tax.

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

Leasehold investment properties	Over the lease term
Plant and machinery	10%/20%/33% straight line

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.

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 are recognised in the profit and loss account.

Martin's Properties (Chelsea) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 March 2020

ACCOUNTING POLICIES - continued

Investments in subsidiaries

Fixed asset investments are stated at cost less provision for impairment.

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.

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

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.

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 or loss in the period to which they relate.

Finance costs

Recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Going concern

The value of the Company's assets is substantially in excess of its liabilities. Accordingly, the directors consider that the Company 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.

Martin's Properties (Chelsea) Limited**NOTES TO THE FINANCIAL STATEMENTS - continued****For The Year Ended 31 March 2020****3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company. An analysis of turnover by class of business is given below:

	2020	2019
	£	£
Rent receivable	203,580	3,384,986
Development turnover	2,816,420	-
	<u>3,020,000</u>	<u>3,384,986</u>

4. EMPLOYEES AND DIRECTORS

The directors did not receive any remuneration from the company in the year (2019: £nil). The company has no employees (2019: 23).

5. OPERATING PROFIT

	2020	2019
	£	£
The profit on ordinary activities before taxation is stated after charging:		
Amortisation of short leasehold properties	-	21,552
Depreciation - owned assets	14,044	10,486
Auditor's remuneration - audit of statutory financial statements	-	-
- taxation compliance and advisory work	-	8,800
Director's emoluments (including benefits in kind)	-	1,441,659

The company had no employees in the year.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Interest receivable	3,981	8,138
From related parties	1,626,159	-
	<u>1,630,140</u>	<u>8,138</u>

Interests receivable from related parties refer to interest due on a loan to the Martin's of Chelsea Executive Pension Scheme.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank loan interests	32,793	814,959
To related parties	73,189	474,265
Amortisation of finance costs	315,559	28,442
	<u>421,541</u>	<u>1,317,666</u>

Finance costs refer to the amortisation of loan arrangement fees.

Martin's Properties (Chelsea) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 March 2020

8. TAXATION

Analysis of the tax charge	2020	2019
	£	£
The tax charge on the profit for the year was as follows		
Current tax:		
UK corporation tax	(427,583)	2,562,574
Deferred tax	(6,231,097)	(1,401,963)
Tax on profit	<u>(6,658,680)</u>	<u>1,160,611</u>

9. TANGIBLE FIXED ASSETS

	Investment properties £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1 April 2019	84,046,982	305,225	84,352,207
Additions	-	-	-
Disposals	(82,515,500)	-	(82,515,500)
Transfers into work in progress	-	-	-
Revaluations	-	-	-
	<u>1,531,482</u>	<u>305,225</u>	<u>1,836,707</u>
At 31 March 2020	1,531,482	305,225	1,836,707
DEPRECIATION			
At 1 April 2019	1,531,482	291,181	1,822,663
Charge for year	-	14,044	14,044
At 31 March 2020	<u>1,531,482</u>	<u>305,225</u>	<u>1,836,707</u>
NET BOOK VALUE			
At 31 March 2020	-	-	-
At 31 March 2019	<u>82,515,500</u>	<u>14,044</u>	<u>82,529,544</u>

10. WORK IN PROGRESS

	2020	2019
	£	£
Work in progress	6,581,741	4,449,092
	<u>6,581,741</u>	<u>4,449,092</u>

No earlier work in progress write downs have been reversed during the current, or proceeding, period.

Martin's Properties (Chelsea) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 March 2020

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings and £
Cost	23
Disposals	-
At 31 March 2020	<u>23</u>

Name	Holding
Martin's Properties (No.1) Ltd	Ordinary 82.14%

The accounting year end for Martin's Properties (No.1) Ltd is the 31 March and the company is registered in England and Wales.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	-	61,752
Amounts owed by group undertakings	45,032,290	59,494,504
Other debtors	-	761,359
Other tax and social security costs	606,724	388,439
Prepayments and accrued income	-	553,230
	<u>45,639,014</u>	<u>61,259,284</u>

Included in amounts due from related parties is a loan to The Martin of Chelsea Executive Pension Scheme of £5,350,000 (2019: £5,350,000) which carries an interest rate of 6.00% pa. Other amounts included in this category are due from group undertakings and are interest free, unsecured and repayable on demand.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	24,347	53,481
Amounts owed to group undertakings	2,667,471	16,852,790
Tax	-	232,807
Social security and other taxes	81,533	136,295
Other creditors	234,999	238,256
Accruals and deferred income	402,375	1,471,809
	<u>3,410,725</u>	<u>18,985,438</u>

Amounts due to related parties above are interest free, unsecured and repayable on demand

Martin's Properties (Chelsea) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 March 2020

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

	2020	2019
	£	£
Bank loans	-	27,907,525
Unamortised arrangement costs	-	(315,559)
	<u>-</u>	<u>27,591,966</u>

15. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	-	6,231,097

	£
Balance at 1 April 2019	6,231,097
Credit to Statement of Comprehensive Income during year	<u>(6,231,097)</u>
Balance at 31 March 2020	<u>-</u>

16. CALLED UP SHARE CAPITAL

	2020	2019
	£	£
Allotted, issued and fully paid:		
Number: Class:		
1,504 Ordinary	<u>1,504</u>	<u>1,504</u>

17. RESERVES

Reserves of the Company represent the following:

Fair value reserve

The 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.

Share premium

Consideration issued 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.

Martin's Properties (Chelsea) Limited

NOTES TO THE FINANCIAL STATEMENTS -

continued

For The Year Ended 31 March 2020

18. CAPITAL COMMITMENTS

	2020	2019
	£	£
Contracted but not provided for in the financial statements	-	4,843,000

19. RELATED PARTY TRANSACTIONS

		Value of transactions		Debtor/ (creditor) balances	
		2020	2019	2020	2019
		£	£	£	£
Name	Nature				
GH Martin Will Trust	Current a/c	6,708	27,021	9,288	2,580
KH Martin Will Trust	Current a/c	7,928	19,668	13,028	5,100
GH Martin Family Settlement	Current a/c	3,851	13,428	6,431	2,580
KH Martin Family Settlement	Current a/c	2,053	9,828	4,633	2,580
Peter Martin Children's Settlement	Current a/c	(3,782)	9,461	110,398	114,180
Martin's Properties (T1) LLP	Current a/c	-	297,634	254	77,324
The Martin of Chelsea Executive Pension Scheme	Current a/c	-	5,737,306	(183,728)	(1,741,790)
	Loan	-	-	5,350,000	5,350,000
	Interest (payable) /receivable	1,626,159	(474,265)	1,626,159	-

The current account balances comprise of management fees received, rent received and payable and costs recharged.

20. CONTROL

The parent company at 31 March 2020 was Martin's Properties Holdings Limited, a company registered in England and Wales. The ultimate parent company is Martin's Development Holdings Limited, a company registered in England and Wales