

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
Martin's Properties (Chelsea) Limited**

COMPANY REGISTERED NUMBER : 00533856



Martin's Properties (Chelsea) Limited

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Martin's Properties (Chelsea) Limited

COMPANY INFORMATION

For The Year Ended 31 March 2021

DIRECTORS:

T H Martin
R Bourne
D Brown
J Moriarty

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 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

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 2020 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)

J Moriarty (reappointed 7 January 2021)

D Brown (appointed 21 December 2020)

CHARITABLE CONTRIBUTIONS

During the year the company made no charitable donations (2020: £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). 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: 30/3/2022

Martin's Properties (Chelsea) Limited

STATEMENT OF COMPREHENSIVE INCOME For The Year Ended 31 March 2021

	Notes	2021 £	2020 £
TURNOVER	3	35,010	3,020,000
Direct property costs		<u>(171,205)</u>	<u>(2,863,875)</u>
GROSS PROFIT		(136,195)	156,125
Administrative expenditure		<u>(103,199)</u>	<u>(48,546)</u>
		(239,394)	107,579
Other operating income		<u>500</u>	<u>1,500</u>
OPERATING PROFIT	5	(238,894)	109,079
Interest receivable and similar income	6	479,714	1,630,140
Interest payable and similar expenses	7	<u>(90,814)</u>	<u>(421,541)</u>
PROFIT BEFORE TAXATION		150,005	1,317,678
Tax on profit	8	<u>32,600</u>	<u>6,658,680</u>
PROFIT FOR THE FINANCIAL YEAR		182,606	7,976,358
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>182,606</u>	<u>7,976,358</u>

STATEMENT OF FINANCIAL POSITION as at 31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	9		
Investments	11	23	23
		23	23
CURRENT ASSETS			
Work in progress	10	6,706,096	6,581,741
Debtors	12	46,240,950	45,639,014
Cash at bank		258,116	606,690
		53,205,163	52,827,445
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(3,605,837)	(3,410,725)
NET CURRENT ASSETS		49,599,326	49,416,720
TOTAL ASSETS LESS CURRENT LIABILITIES		49,599,349	49,416,743
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	-	-
PROVISIONS FOR LIABILITIES	15	-	-
NET ASSETS		49,599,349	49,416,743
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	-	-
Retained earnings	17	34,595,841	34,413,235
SHAREHOLDERS' FUNDS		49,599,349	49,416,743

For the period ended 31 March 2021 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 30/8/2022 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 2021

	Called up share capital £	Retained earnings £	Share premium £	Fair Value reserve £	Total equity £
Balance at 31 March 2019	1,504	57,043,579	15,002,004	24,001,273	96,048,361
Changes in equity					
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	34,413,235	15,002,004	-	49,416,743
Changes in equity					
Total comprehensive income	-	182,606	-	-	182,606
Balance at 31 March 2021	1,504	34,595,841	15,002,004	-	49,599,349

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2021

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

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 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%/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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

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:

	2021	2020
	£	£
Rent receivable	35,010	203,580
Development turnover	-	2,816,420
	<u>35,010</u>	<u>3,020,000</u>

4. EMPLOYEES AND DIRECTORS

Staff costs, including directors' remuneration, were as follows:

	£	£
Wages and salaries	77,075	-
Social security costs	7,042	-
Pension costs	1,865	-
	<u>85,982</u>	<u>-</u>

The average number of employees (including directors) employed by the Group during the year was 21 (2020: nil).

5. OPERATING PROFIT

	2021	2020
	£	£
The profit on ordinary activities before taxation is stated after charging:		
Amortisation of short leasehold properties	-	-
Depreciation - owned assets	-	14,044
Auditor's remuneration - audit of statutory financial statements	-	-
- taxation compliance and advisory work	-	-
Director's emoluments (including benefits in kind)	-	-

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Interest receivable	3,614	3,981
From related parties	<u>476,100</u>	<u>1,626,159</u>
	<u>479,714</u>	<u>1,630,140</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

	2021	2020
	£	£
Bank loan interests	-	32,793
To related parties	90,814	73,189
Amortisation of finance costs	-	315,559
	<u>90,814</u>	<u>421,541</u>

Finance costs refer to the amortisation of loan arrangement fees.

8. TAXATION

Analysis of the tax charge	2021	2020
	£	£
The tax charge on the profit for the year was as follows		
Current tax:		
UK corporation tax	-	(427,583)
Adjustments to prior year	(32,600)	-
Deferred tax	-	(6,231,097)
Tax on profit	<u>(32,600)</u>	<u>(6,658,680)</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
Disposals	<u>(82,515,500)</u>	<u>-</u>	<u>(82,515,500)</u>
At 31 March 2020	<u>1,531,482</u>	<u>305,225</u>	<u>1,836,707</u>
At 31 March 2021	<u>1,531,482</u>	<u>305,225</u>	<u>1,836,707</u>
DEPRECIATION			
At 1 April 2019	1,531,482	291,181	1,822,663
Charge for year	<u>-</u>	<u>14,044</u>	<u>-</u>
At 31 March 2020	<u>1,531,482</u>	<u>305,225</u>	<u>1,822,663</u>
At 31 March 2021	<u>1,531,482</u>	<u>305,225</u>	<u>1,822,663</u>
NET BOOK VALUE			
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>

10. WORK IN PROGRESS

	2021	2020
	£	£
Work in progress	<u>6,706,096</u>	<u>6,706,096</u>
	<u>6,706,096</u>	<u>6,706,096</u>

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

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings and investments
	£
Cost as at 31 March 2019	23
Disposals	-
At 31 March 2020	23
At 31 March 2021	23

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

	2021	2020
	£	£
Trade debtors	2,300	-
Amounts owed by group undertakings	46,175,510	45,032,290
Other debtors	35,010	-
Other tax and social security costs	28,129	606,724
	<u>46,240,950</u>	<u>45,639,014</u>

Included in amounts due from related parties is a loan to The Martin of Chelsea Executive Pension Scheme of £5,290,000 (2020: £5,350,000) which carries an interest rate of 9.00% 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

	2021	2020
	£	£
Trade creditors	18,358	24,347
Amounts owed to group undertakings	2,998,600	2,667,471
Social security and other taxes	-	81,533
Other creditors	279,838	234,999
Accruals and deferred income	309,042	402,375
	<u>3,605,837</u>	<u>18,985,438</u>

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

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

	2021	2020
	£	£
Bank loans	-	-
Unamortised arrangement costs	-	-
	<u>-</u>	<u>-</u>

15. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	-	-

	£
Balance at 1 April 2019	-
Credit to Statement of Comprehensive Income during year	-
Balance at 31 March 2020	<u>-</u>

16. CALLED UP SHARE CAPITAL

	2021	2020
	£	£
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.

**NOTES TO THE FINANCIAL STATEMENTS -
continued**

For The Year Ended 31 March 2021

18. CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for in the financial statements	345,000	335,000

19. RELATED PARTY TRANSACTIONS

		Value of transactions		Debtor/ (creditor) balances	
		2021 £	2020	2021 £	2020
Name	Nature				
GH Martin Will Trust	Current a/c	-	6,708	9,288	9,288
KH Martin Will Trust	Current a/c	-	7,928	13,028	13,028
GH Martin Family Settlement	Current a/c	-	3,851	6,431	6,431
KH Martin Family Settlement	Current a/c	-	2,053	4,633	4,633
Peter Martin Children's Settlement	Current a/c	-	(3,782)	110,398	110,398
Martin's Properties (T1) LLP	Current a/c	(254)	-	-	254
The Martin of Chelsea Executive	Current a/c	-	-	(123,728)	(123,728)
Pension Scheme	Loan	-	-	5,290,000	5,290,000
	Interest				
	(payable)	476,101	1,626,159	2,102,260	1,626,159
	/receivable				

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

20. CONTROL

The parent company at 31 March 2021 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