

MARTIN'S PROPERTIES (CHELSEA) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



MARTIN'S PROPERTIES (CHELSEA) LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2
Statement of Comprehensive Income	3
Statement of Financial Position	4 - 5
Notes to the Financial Statements	6 - 13

MARTIN'S PROPERTIES (CHELSEA) LIMITED

COMPANY INFORMATION

Directors	R C Bourne D A Brown T H Martin J Moritarty (resigned 31 March 2023)
------------------	---

Registered number	00533856
--------------------------	----------

Registered office	36 Walpole Street London SW3 4QS
--------------------------	--

MARTIN'S PROPERTIES (CHELSEA) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors

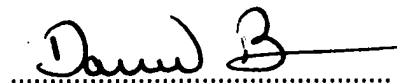
The directors who served during the year were:

R C Bourne
D A Brown
T H Martin
J Moritarty (resigned 31 March 2023)

Small companies note

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

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

A handwritten signature in black ink, appearing to read 'D A Brown', followed by a horizontal line.

D A Brown
Director

Date: 11.10.2023

MARTIN'S PROPERTIES (CHELSEA) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover		-	9,517,053
Cost of sales		(965)	(7,040,831)
Gross (loss)/profit		(965)	2,476,222
Administrative expenses		(104,177)	(91,167)
Other operating income		2,200	2,500
Operating (loss)/profit		(102,942)	2,387,555
Interest receivable and similar income		509,095	246,065
Interest payable and similar expenses		-	(86,092)
Profit before tax		406,153	2,547,528
Tax on profit		(88,276)	-
Profit for the financial year		<u>317,877</u>	<u>2,547,528</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>317,877</u>	<u>2,547,528</u>

The notes on pages 6 to 13 form part of these financial statements.

MARTIN'S PROPERTIES (CHELSEA) LIMITED
REGISTERED NUMBER: 00533856

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	8	23	23
		<u>23</u>	<u>23</u>
Current assets			
Debtors	9	53,512,960	50,454,835
Cash at bank and in hand	10	41,452	3,281,109
		<u>53,554,412</u>	<u>53,735,944</u>
Creditors: amounts falling due within one year	11	(1,089,681)	(1,589,090)
Net current assets		<u>52,464,731</u>	<u>52,146,854</u>
Total assets less current liabilities		<u>52,464,754</u>	<u>52,146,877</u>
Net assets		<u><u>52,464,754</u></u>	<u><u>52,146,877</u></u>
Capital and reserves			
Called up share capital		1,504	1,504
Share premium account		15,002,004	15,002,004
Retained earnings		37,461,246	37,143,369
		<u>52,464,754</u>	<u>52,146,877</u>

MARTIN'S PROPERTIES (CHELSEA) LIMITED
REGISTERED NUMBER: 00533856

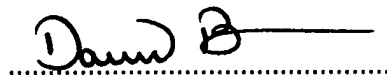
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D A Brown', followed by a horizontal line.

D A Brown
Director

Date: 11.10.2023

The notes on pages 6 to 13 form part of these financial statements.

MARTIN'S PROPERTIES (CHELSEA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Martin's Properties (Chelsea) Limited is a private company, limited by shares, registered in England and Wales. The company's registered office address is 36 Walpole Street, London, SW3 4QS.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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.

2.3 Turnover

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

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

MARTIN'S PROPERTIES (CHELSEA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 10%/20%/33%
---------------------	---------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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

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

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

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

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

MARTIN'S PROPERTIES (CHELSEA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification, this is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

3. Judgments in applying accounting policies 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.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Rent receivable	-	17,053
Development turnover	-	9,500,000
	<u>-</u>	<u>9,517,053</u>

All turnover arose within the United Kingdom.

5. Employees

The average monthly number of employees, including directors, during the year was 23 (2022 - 22).

MARTIN'S PROPERTIES (CHELSEA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	88,276	-
	<u>88,276</u>	<u>-</u>
Total current tax	<u>88,276</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	406,153	2,547,528
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	77,169	484,030
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,107	1,246
Marginal relief	-	(485,276)
Total tax charge for the year	<u>88,276</u>	<u>-</u>

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase. This change in rate was substantively enacted on 24 May 2021.

MARTIN'S PROPERTIES (CHELSEA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 April 2022	305,226
At 31 March 2023	<u>305,226</u>
Depreciation	
At 1 April 2022	305,226
At 31 March 2023	<u>305,226</u>
Net book value	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>-</u>

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	23
At 31 March 2023	<u>23</u>

MARTIN'S PROPERTIES (CHELSEA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9. Debtors

	2023 £	2022 £
Trade debtors	10,617	-
Amounts owed by related parties	53,500,679	50,453,170
Other debtors	1,664	1,665
	<u>53,512,960</u>	<u>50,454,835</u>

Amounts due from related parties are interest free, unsecured and repayable on demand.

10. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	41,452	3,281,109
	<u>41,452</u>	<u>3,281,109</u>

11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	116,544	90,112
Amounts owed to related parties	661,673	1,270,363
Corporation tax	88,276	-
Other creditors	156,492	190,455
Accruals and deferred income	66,696	38,160
	<u>1,089,681</u>	<u>1,589,090</u>

Amounts due from related parties are interest free, unsecured and repayable on demand.

12. Reserves

Share premium account

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 FOR THE YEAR ENDED 31 MARCH 2023

13. Capital commitments

At 31 March 2023 the Company had capital commitments as follows:

	2023 £	2022 £
Contracted for but not provided in these financial statements	-	345,000

14. Related party transactions

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.

	2023 £	2022 £
Martin's Investment Group		
Fees recharged	-	13,739
Amounts due from related party	597,048	627,934
Amounts due to related party	(520,381)	(1,131,634)
Entities with control, joint control or significant influence over the entity		
Amounts due from related party	144,411	144,411
Other related parties		
Amounts due to related party	(141,292)	(123,729)

15. Controlling party

The immediate parent company is 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.