Registered number: 03129061

NAVA 1 LIMITED

(FORMERLY KNOWN AS FORMER REICHMANN PROPERTIES PLC)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NAVA 1 LIMITED (FORMERLY KNOWN AS FORMER REICHMANN PROPERTIES PLC)

COMPANY INFORMATION

Director	D Cohen
Registered number	03129061
Registered office	5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
Independent auditors	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
Bankers	Barclays Bank Plc 126 Station Road Edgware Middlesex HA8 7RY

NAVA 1 LIMITED (FORMERLY KNOWN AS FORMER REICHMANN PROPERTIES PLC)

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The director presents the Strategic Report for the year ended 31 December 2022.

Business review

The nature of the Group's property development activities is such that there can be significant fluctuations in the timing of profits flowing through to the group. For the year under review there were no major contracts concluded.

The Group's income from its principal activity of property rental has increased slightly. There was no property development contracts concluded during the year. The overall turnover decreased from £607,097 to £595,026. Overheads decreased slightly from £565,133 to £551,335. The loss before tax for the year is £116,940 (2021 - £74,902).

The director remains satisfied with the position of the Group at the year end with net assets of £4 million (2021 - £4 million).

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks.

The key business risks and uncertainties relate to:

- the state of the UK property market and its impact on both the potential profits that can be achieved from new developments and rental values.

- the availability of loan finance and borrowing rates.

Financial key performance indicators

The key performance indicators used by the director to understand the development, performance and position of the business are turnover, profit before tax and net assets.

Director's statement of compliance with duty to promote the success of the Group

The director considers the successful running of the Group and the Company centres around his long-term strategy of maintaining a sustainable, profitable business. The director considers that he has acted in the way he considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172(1)(a-f) of the Act) in the decisions taken during the financial year ended 31 December 2022.

In coming to this conclusion, the director has considered the following:

• Consideration of long-term consequences are an inherent part of the Group's decision-making processes. As a privately-owned Group, the board considers that the interests of the Group and its shareholders are aligned in seeking sustainable value creation over the longer term through the Group's operations, promoting long term strategic decision-making.

• The director continues to ensure that a reputation for high standards of business conduct with customers and other stakeholders is maintained.

• The Group has continued throughout the year to provide employees with relevant information and to seek their views on matters of common concern. Priority is given to ensuring that employees are aware of all significant matters affecting the Group.

• When taking decisions, the director considers the potential impact the decisions he takes may have on the community and environment and socially.

• The integrity of the Group is underpinned with policies in relation to bribery and corruption, data protection, equality, diversity, fraud and whistleblowing, each of which is reinforced through appropriate training.

• The director confirms that throughout the year all directors have acted in the way he considers, in good faith, to be most likely to promote the success of the Group for the benefit of its members as a whole.

This report was approved by the board on 28 September 2023 and signed on its behalf.

D Cohen
Director

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his report and the financial statements for the year ended 31 December 2022.

Director

The directors who served during the year was:

D Cohen (appointed 7 June 2022)
D N Reichmann (resigned 1 August 2022)

G Gribbin (resigned 7 June 2022)

Results and dividends

The loss for the year, after taxation, amounted to £14,527 (2021 - loss £417,278).

The director does not recommend the payment of an ordinary dividend.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group will continue in business.

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Future developments

The director report's that the Group continues to seek opportunities to manage new development projects and to maximise returns from its existing investment portfolio.

Engagement with suppliers, customers and others

Delivering the Group's strategy requires strong mutually beneficial relationships with contractors, suppliers, customers and providers of finance and the director seeks the promotion and application of certain general principles in such relationships. These principles involve integrity and fairness in all aspects of the Group's business. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships.

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Subsequent events

There have been no significant events affecting the Group since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 28 September 2023 and signed on its behalf.

D Cohen
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAVA 1 LIMITED (FORMERLY KNOWN AS FORMER REICHMANN PROPERTIES PLC)

Opinion

We have audited the financial statements of NAVA 1 Limited (Formerly known as Former Reichmann Properties Plc) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss 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 United Kingdom, including the Financial Reporting Council'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.

Going concern

The director has prepared the financial statements on the going concern basis as he does not intend to liquidate the Group or the Company or to cease their operations, and he has concluded that the Group and the Company's financial position means that this is realistic. He has also concluded that there are no material uncertainties that could have cast significant doubt over the Group and the Company's ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

In our evaluation of the director's conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in our report is not a guarantee that the Group and the Company will continue in operation.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

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 Group Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 director determines is 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 director is 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 director either intends 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 an Auditors' Report 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 Group financial statements .

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the investment property sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 an Auditors' Report 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.

Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

28 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	**595,026**	607,097
Administrative expenses		**(551,335)**	(565,133)
Other operating income	5	**-**	55,472
Operating profit		**43,691**	97,436
Interest receivable and similar income		**5,069**	-
Interest payable and similar expenses	10	**(165,700)**	(172,338)
Loss before taxation		**(116,940)**	(74,902)
Tax on loss	11	**102,413**	(342,376)
Loss for the financial year		**(14,527)**	(417,278)
Loss for the year attributable to:			
Owners of the parent Company		**(14,527)**	(417,278)

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 15 to 28 form part of these financial statements.

NAVA 1 LIMITED (FORMERLY KNOWN AS FORMER REICHMANN PROPERTIES PLC)
REGISTERED NUMBER:03129061

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	13		**6,104**		8,237
Investment property	14		**8,675,000**		8,675,000
			8,681,104		8,683,237
Current assets					
Debtors: amounts falling due within one year	15	**7,674,451**		8,430,389	
Cash at bank and in hand	16	**3,765,682**		128,130	
		11,440,133		8,558,519	
Current liabilities					
Creditors: amounts falling due within one year	17	**(11,759,621)**		(8,592,878)	
Net current liabilities			**(319,488)**		(34,359)
Total assets less current liabilities			**8,361,616**		8,648,878
Creditors: amounts falling due after more than one year	18		**(2,966,902)**		(3,137,224)
Provisions for liabilities					
Deferred taxation	20		**(1,324,154)**		(1,426,567)
Net assets			**4,070,560**		4,085,087
Capital and reserves					
Called up share capital	21		**50,000**		50,000
Capital redemption reserve	22		**16,667**		16,667
Profit and loss account	22		**4,003,893**		4,018,420
Equity attributable to owners of the parent Company			**4,070,560**		4,085,087

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.

D Cohen
Director

The notes on pages 15 to 28 form part of these financial statements.

NAVA 1 LIMITED (FORMERLY KNOWN AS FORMER REICHMANN PROPERTIES PLC)
REGISTERED NUMBER:03129061

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	13		**2,196**		3,027
Investments	12		**50,000**		50,000
			52,196		53,027
Current assets					
Debtors: amounts falling due within one year	15	**986**		3,990	
Cash at bank and in hand	16	**22,750**		65,007	
		23,736		68,997	
Current liabilities					
Creditors: amounts falling due within one year	17	**(1,335,187)**		(1,299,978)	
Net current liabilities			**(1,311,451)**		(1,230,981)
Net liabilities			**(1,259,255)**		(1,177,954)
Capital and reserves					
Called up share capital	21		**50,000**		50,000
Capital redemption reserve	22		**16,667**		16,667
Profit and loss account carried forward			**(1,325,922)**		(1,244,621)
			(1,259,255)		(1,177,954)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.

D Cohen
Director

The notes on pages 15 to 28 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	**50,000**	**16,667**	**4,435,698**	**4,502,365**
Loss for the year	-	-	(417,278)	(417,278)
At 1 January 2022	**50,000**	**16,667**	**4,018,420**	**4,085,087**
Loss for the year	-	-	(14,527)	(14,527)
At 31 December 2022	**50,000**	**16,667**	**4,003,893**	**4,070,560**

The notes on pages 15 to 28 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	**50,000**	**16,667**	**(1,068,502)**	**(1,001,835)**
Loss for the year	-	-	(176,119)	(176,119)
At 1 January 2022	**50,000**	**16,667**	**(1,244,621)**	**(1,177,954)**
Loss for the year	-	-	(81,301)	(81,301)
At 31 December 2022	**50,000**	**16,667**	**(1,325,922)**	**(1,259,255)**

The notes on pages 15 to 28 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	**(14,527)**	(417,278)
Adjustments for:		
Depreciation of tangible assets	**2,133**	2,895
Interest paid	**165,700**	172,338
Interest received	**(5,069)**	-
Taxation charge	**(102,413)**	342,376
Decrease in debtors	**755,938**	839,669
Increase/(decrease) in creditors	**3,159,533**	(507,273)
Net cash generated from operating activities	**3,961,295**	432,727
Cash flows from investing activities		
Interest received	**5,069**	-
Net cash from investing activities	**5,069**	-
Cash flows used in financing activities		
Repayment of loans	**(163,112)**	(153,981)
Interest paid	**(165,700)**	(172,338)
Net cash used in financing activities	**(328,812)**	(326,319)
Net increase in cash and cash equivalents	**3,637,552**	106,408
Cash and cash equivalents at beginning of year	**128,130**	21,722
Cash and cash equivalents at the end of year	**3,765,682**	128,130
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**3,765,682**	128,130
	3,765,682	128,130

The notes on pages 15 to 28 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	128,130	3,637,552	3,765,682
Debt due after 1 year	(3,137,224)	170,322	(2,966,902)
Debt due within 1 year	(3,713,941)	994,254	(2,719,687)
	(6,723,035)	4,802,128	(1,920,907)

The notes on pages 15 to 28 form part of these financial statements.

1. General information

NAVA 1 Limited is a private company, limited by shares, registered in England and Wales with its business address at Cavendish House, 369 Burnt Oak Broadway, Edgware, HA8 5AW and its registered address at 5 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD.

The Company changed its name to NAVA 1 Limited on 5 January 2023 from Former Reichman Properties Plc. It de-registered as a Plc on 22 December 2022.

The principal activity of the Group continued to be that of property dealing and investment.

The Group's functional and presentational currency is £ 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 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiary ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Position Date, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The parent company meets its day to day working capital requirements through the ongoing support of its shareholders' and loans from other companies under their control. The nature of the Group's activities are such that there can be considerable unpredictable variation in the timing of cash inflows. The director has prepared projected cash flow information for the period ending 12 months from the date of his approval of these financial statements. On the basis of this cash flow information and the continuing financial support of the shareholders and other companies under their control, the director considers it appropriate to prepare the financial statements on the going concern basis.

2. Accounting policies (continued)

2.4 Turnover

Turnover represents property development and management fees together with rents receivable excluding Value Added Tax (where applicable).

Property development fees are recognised on successful completion of the development. Property management fees are recognised in the period in which services are provided. Rental income is recognised in the period to which it relates.

2.5 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	33%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	25%	reducing balance

2.6 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at the transaction price.

2.9 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Accounting policies (continued)

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.12 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to and from related parties.

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 payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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 Group would receive for the asset if it were to be sold at the reporting date.

2.13 Creditors

Short term creditors are measured at the transaction price.

2.14 Pensions

Defined contribution pension plan

The Group contributes to defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plans are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Position Date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has made the following judgements:

Determine whether there are indicators of impairment of the group's investment properties and of loans to related parties under common control. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the underlying assets.

4. Turnover

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

	2022	2021
	£	£
Rent receivable	**544,771**	607,097
Property management fees and commissions	**22,769**	-
Other income	**27,486**	-
	595,026	607,097

All turnover arose within the United Kingdom.

5. Other operating income

	2022	2021
	£	£
Government grants receivable	**-**	19,601
Insurance claims receivable	-	35,871
	-	55,472

6. Auditors' remuneration

Fees payable to the Group's auditor in respect of:

	2022	2021
	£	£
Audit-related assurance services	**15,000**	15,000
Taxation compliance services	**7,500**	7,500
All other services	**2,500**	8,150
	25,000	30,650

7. Employees

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

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.	**Company 2022 No.**	Company 2021 No.
Management	**2**	2	2	2
Administration	**8**	8	-	-
	10	10	2	2

8. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	**63,802**	31,906

9. Interest receivable

	2022	2021
	£	£
Other interest receivable	5,069	-

10. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	165,700	174,715
Other loan interest payable	-	(2,377)
	165,700	172,338

11. Taxation

	2022	2021
	£	£
Deferred tax		
Fair value movements	-	342,376
Tax losses	(102,413)	-
Total deferred tax	(102,413)	342,376

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Loss on ordinary activities before tax	**(116,940)**	(74,903)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	**(22,219)**	(14,232)
Effects of:		
Expenses not deductible for tax purposes	**(3,960)**	901
Depreciation for the year in excess of capital allowances	**304**	442
Utilisation of tax losses	**-**	(19,293)
Short term timing difference leading to a decrease in taxation	**(41)**	(502)
Unrelieved tax losses carried forward	**25,916**	32,684
Deferred tax	**(102,413)**	342,376
Total tax charge for the year	**(102,413)**	342,376

Factors that may affect future tax charges

The Group has losses amounting to approximately £409,652 (2021 - £273,253) available to carry forward against future profits. A deferred tax asset of £102,413 has been recognised in respect of these losses, and which has been netted off against the deferred tax liability on the fair value movement.

12. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost	
At 1 January 2022	**50,000**
At 31 December 2022	**50,000**

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Reichmann Properties Limited	5 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD	Property development and investment	Ordinary	100 %

13. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2022	**2,934**	**25,260**	**40,723**	**68,917**
At 31 December 2022	**2,934**	**25,260**	**40,723**	**68,917**
Depreciation				
At 1 January 2022	**2,934**	**18,810**	**38,936**	**60,680**
Charge for the year on owned assets	**-**	**1,612**	**521**	**2,133**
At 31 December 2022	**2,934**	**20,422**	**39,457**	**62,813**
Net book value				
At 31 December 2022	**-**	**4,838**	**1,266**	**6,104**
At 31 December 2021	-	6,450	1,787	8,237

13. Tangible fixed assets (continued)

Company

	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2022	2,934	13,860	40,723	57,517
At 31 December 2022	2,934	13,860	40,723	57,517
Depreciation				
At 1 January 2022	2,934	12,620	38,936	54,490
Charge for the year on owned assets	-	310	521	831
At 31 December 2022	2,934	12,930	39,457	55,321
Net book value				
At 31 December 2022	-	930	1,266	2,196
At 31 December 2021	-	1,240	1,787	3,027

14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2022	**8,675,000**
At 31 December 2022	**8,675,000**

The 2022 valuations were made by the director, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2022 £	2021 £
Historic cost	**2,066,893**	2,066,893

15. Debtors

	Group 2022 £	Group 2021 £	**Company 2022** £	Company 2021 £
Trade debtors	**29,918**	31,169	**-**	-
Other debtors	**7,292,437**	8,392,955	**986**	3,990
Prepayments and accrued income	**352,096**	6,265	**-**	-
	7,674,451	8,430,389	**986**	3,990

16. Cash and cash equivalents

	Group 2022 £	Group 2021 £	**Company 2022** £	Company 2021 £
Cash at bank and in hand	**3,765,682**	128,130	**22,750**	65,007

17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Bank loans (See notes 18 & 19)	**174,129**	166,919	**-**	-
Trade creditors	**105,691**	90,649	**16,667**	16,940
Amounts owed to group undertakings	**-**	-	**1,018,920**	969,906
Other taxation and social security	**25,607**	70,247	**12,100**	-
Other creditors	**11,279,719**	8,098,668	**250,000**	274,187
Accruals and deferred income	**174,475**	166,395	**37,500**	38,945
	11,759,621	8,592,878	**1,335,187**	1,299,978

18. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £
Bank loans	**2,966,902**	3,137,224

The bank loans are secured by first legal charges on the freehold investment properties and a debenture over the assets of the subsidiary company.

The Group's bank loans are repayable by instalments.

19. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £
Amounts falling due within one year		
Bank loans	**174,129**	166,919
Amounts falling due 1-2 years		
Bank loans	**189,367**	177,182
Amounts falling due 2-5 years		
Bank loans	**627,947**	590,822
Amounts falling due after more than 5 years		
Bank loans	**2,149,588**	2,369,220
	3,141,031	3,304,143

20. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	**(1,426,567)**	(1,084,191)
Charged to profit or loss	**102,413**	(342,376)
At end of year	**(1,324,154)**	(1,426,567)

	Group 2022 £	Group 2021 £
Fair value movements	**(1,426,567)**	(1,426,567)
Tax losses	**102,413**	-
	(1,324,154)	(1,426,567)

21. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
50,000 (2021 - 50,000) Ordinary shares of £1 each	**50,000**	50,000

22. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account

The profit and loss reserve contains the cumulative balance of retained profit and losses as well as investment property revaluations since the Group started trading. The balance on the Group's profit and loss account includes non-distributable fair value adjustments of £5,283,954 (2021 - £5,181,540).

23. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £81,301 (2021 - loss £176,119).

24. Pension commitments

The Group contributes to defined contributions pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by that Group to the fund and amounted to £20,699 (2021 - £19,270). Contributions totalling £1,662 (2021 - £1,876) were payable to the fund at the balance sheet date and are included in creditors.

25. Related party transactions

Group

At the reporting date the Group was owed £7,881,466 (2021 - £9,078,180) by, and owed £8,484,161 (2021 - £4,466,750) to, various companies under common control.

At the reporting date the Group owed £2,543,896 (2021 - £3,245,145) in respect of various interest free, unsecured shareholder loans.

During the year, the Group recharged staff costs amounting to £322,887 (2021 - £300,799) to a company under common control.

During the year the Group received management fees amounting to £27,486 (2021 - £51,105) from a company under common control.

Company

The Company has taken advantage of the exemption under FRS102 s33.1A Related Party Disclosures not to disclose transactions entered into between two or more members of the group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

26. Controlling party

The company is controlled by D C Reichmann, by virtue of his shareholding.