

London Merchant Bank Limited

Filleted accounts

31 March 2022

Company registration number: 03837036

London Merchant Bank Limited

Directors and other information

Directors

G M El-Kassir

S M Antonis

A R Lock

Secretary

R E El Kassir

Company number

03837036

Registered office

Tower 42

25 Old Broad Street

London

EC2N 1HN

Auditor

Cox Hinkins Audit Services Limited

The Old Dairy

12 Stephen Road

Headington

Oxford

OX3 9AY

London Merchant Bank Limited

Directors responsibilities statement

Year ended 31st March 2022

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

London Merchant Bank Limited

Balance sheet

31st March 2022

| | Note | 2022 £ | £ | 2021 £ | £ |
|---|------|----------------|---------|----------------|---------|
| Current assets | | | | | |
| Debtors | 5 | 384,837 | | 394,418 | |
| Cash at bank and in hand | | 101,877 | | 45,248 | |
| | | <u>486,714</u> | | <u>439,666</u> | |
| Creditors: amounts falling due within one year | 6 | (107,067) | | (76,693) | |
| | | <u></u> | | <u></u> | |
| Net current assets | | | 379,647 | | 362,973 |
| | | | <u></u> | | <u></u> |
| Net assets | | | 379,647 | | 362,973 |
| | | | <u></u> | | <u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | 250,001 | | 250,001 | |
| Profit and loss account | | 129,646 | | 112,972 | |
| | | <u></u> | | <u></u> | |
| Shareholders funds | | | 379,647 | | 362,973 |
| | | | <u></u> | | <u></u> |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the Profit & loss account has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 23 March 2023 , and are signed on behalf of the board by:

G M El-Kassir

Director

Company registration number: 03837036

London Merchant Bank Limited

Notes to the financial statements

Year ended 31st March 2022

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Tower 42, 25 Old Broad Street, London, EC2N 1HN. There was no significant change in the company's principal activity during the year which continued to be the provision of investment advice, predominately in connection with UK residential real estate.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below. The financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

These financial statements have been prepared on a going concern basis. At 31st March 2022, the company was owed £230,010 by other members of the group. The recoverability of the monies owed is dependant on the group continuing as a going concern. The group continues to incur significant cash outflows, due to property development activity that it is undertaking at various sites, which are funded by both bank borrowings and stage payments from potential purchasers. The group has also advanced £36.3m to its marketing agent that is due to be recovered against marketing costs on future joint projects. Finance costs of group borrowings are higher than originally budgeted due to social, economic and political factors extending the property development cycle. A reduction in borrowings will be driven by profitable sales of houses and apartments from the group's present development portfolio. Appraisals for the group's present property developments are based on projected market demand. There is a risk that anticipated sales will not be realised at their expected value as the underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation. This therefore represents a material uncertainty that may cast significant doubt upon the group's ability to continue as a going concern. The ability of the group to recover the marketing advance by securing sufficient future joint projects with its marketing agent will depend on many factors including land availability, construction costs and demand for housing, either to buy or rent. These risks are inherent to the industry, which is also sensitive to changes in the general economic climate and represent a material uncertainty that may cast significant doubt on the recovery of the debt and the group's ability to continue as a going concern. Having assessed the principal risks and having regard for the above, the director considers it appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements. Therefore these financial statements do not include any adjustments that would result if the going concern basis of preparation was inappropriate.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised in respect of any timing differences at the reporting date as all are insignificant.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. The company 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 related parties. Financial assets that are measured at cost and amortised 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 profit or loss.

4. Employee numbers

The average number of persons employed by the company during the year amounted to Nil (2021: Nil).

5. Debtors

| | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| Trade debtors | 149,000 | 149,500 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 230,010 | 240,010 |
| Other debtors | 5,827 | 4,908 |
| | <u>384,837</u> | <u>394,418</u> |

6. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|-----------------|----------------|---------------|
| | £ | £ |
| Trade creditors | 105,219 | 73,291 |
| Other creditors | 1,848 | 3,402 |
| | <u>107,067</u> | <u>76,693</u> |

7. Called up share capital

Issued, called up and fully paid

| | 2022 | | 2021 | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | No | £ | No | £ |
| Ordinary shares of £ 1.00 each | 250,001 | 250,001 | 250,001 | 250,001 |
| | <u>250,001</u> | <u>250,001</u> | <u>250,001</u> | <u>250,001</u> |

8. Summary audit opinion

The auditor's report for the year is dated 23 March 2023

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the company's ability to continue as a going concern. As described in note 3 to the financial statements, the director has considered the likelihood of the group realising its forecast sales values from current and future property developments to reduce borrowings and to recover its marketing advance. The going concern assessment of the company is linked to the going concern of the group due to its loans to other group companies, as described in note 5 to the financial statements. Given the risks associated with forecasting future trends in demand and market values, the director has drawn attention to this in disclosing a material uncertainty relating to going concern in the basis of preparation within note 3 to the financial statements. The existence of a material uncertainty may cast significant doubt about the ability of the company to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The senior statutory auditor was Michael Howard Hinkins for and on behalf of Cox Hinkins Audit Services Limited

9. Controlling party

The company is under the control of GRE Capital Ltd, a company incorporated in England & Wales, which owns 100% of the issued share capital. GRE Capital Ltd prepares consolidated financial statements for the group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.