

Unaudited Financial Statements

Chainbid Limited

For the Year Ended 31 March 2017



Registered number: 03918010

Chainbid Limited

Company Information

Directors	G O Mason A Mason
Company secretary	B D Harvey
Registered number	03918010
Registered office	Corn Exchange Brunswick Street Liverpool Merseyside L2 7TP
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	Handelsbanken Exchange Station Tithebarn Street Liverpool L2 2QP
Solicitors	Hill Dickinson LLP No. 1 St. Paul's Square Liverpool L3 9SJ

Chainbid Limited

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Report to the directors on the preparation of the unaudited statutory financial statements of Chainbid Limited for the year ended 31 March 2017

We have compiled the accompanying financial statements of Chainbid Limited based on the information you have provided. These financial statements comprise the Statement of Financial Position of Chainbid Limited as at 31 March 2017 and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of Chainbid Limited, as a body, in accordance with the terms of our engagement letter dated 17 November 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Chainbid Limited and state those matters that we have agreed to state to the Board of Directors of Chainbid Limited, as a body, in this report in accordance with our engagement letter dated 17 November 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chainbid Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 20 December 2017

Statement of Financial Position

As at 31 March 2017

	Note	2017 £	2016 £
Current assets			
Stocks	4	2,432,422	2,432,422
Debtors: amounts falling due within one year	5	84,842	81,001
Cash at bank and in hand		-	19,333
		<u>2,517,264</u>	<u>2,532,756</u>
Creditors: amounts falling due within one year	6	(1,319,049)	(1,376,875)
Net current assets		<u>1,198,215</u>	<u>1,155,881</u>
Total assets less current liabilities		<u>1,198,215</u>	<u>1,155,881</u>
Creditors: amounts falling due after more than one year	7	(974,892)	(946,679)
Net assets		<u><u>223,323</u></u>	<u><u>209,202</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		222,323	208,202
		<u><u>223,323</u></u>	<u><u>209,202</u></u>


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 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 statement of comprehensive income and directors' report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

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


A Mason
Director

Date: 8/12/17

The notes on pages 3 to 7 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. General information

The company is a private company limited by shares and is registered in England and Wales.

Registered number: 03918010.

Registered office: Corn Exchange, Brunswick Street, Liverpool, Merseyside, L2 7TP.

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 following principal accounting policies have been applied:

2.2 Going concern

The directors believe it is appropriate for the financial statements to be prepared on the going concern basis.

At 31 March 2017, the company was in breach of a loan covenant with its bankers and, consequently, the amount of the bank loan outstanding at the year end has been disclosed in the statement of financial position as within creditors falling due within one year. The bank are aware of this position and have confirmed that the existing repayment terms will continue to apply.

The directors have sought confirmation that the loan to the company amounting to £689,212 and associated accrued interest from the G O Mason 1995 Settlement, a shareholder, will not be called for repayment within twelve months from the date the financial statements are approved.

In 2015 the directors agreed and signed up to a new 10 year loan facility for £1.41m with Svenska Handelsbanken which is repayable in quarterly instalments with a final repayment due in September 2024. The company's forecasts, taking account of reasonably possible changes in the company's trading performance, show that the company should be able to operate within the level of the current facility from its bankers.

After making enquiries, the directors have a reasonable expectation that the company has adequate access to financial resources from the bank and its shareholder to continue in operational existence for the foreseeable future.

Accordingly, they adopt the going concern basis in preparing the financial statements.

2.3 Turnover

Turnover represents completed property sales and gross rents' and charges receivable and arises from the continuing activity of property development in the United Kingdom.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.4 Stocks

Stock, which comprises development property is valued at the lower of cost and net realisable value. Cost represents all costs incurred in purchasing and developing property.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

2.5 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.

2.6 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

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.

2.7 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.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.10 Taxation

Tax is recognised in the 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial 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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2016 - 2).

4. Stocks

	2017	2016
	£	£
Development property	<u>2,432,422</u>	<u>2,432,422</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

5. Debtors

	2017 £	2016 £
Trade debtors	32,407	16,188
Other debtors	52,435	64,813
	<u>84,842</u>	<u>81,001</u>

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdraft	8,819	-
Bank loan	1,105,203	1,230,545
Trade creditors	36,385	22,408
Corporation tax	3,530	43,055
Other taxation and social security	5,136	7,466
Other creditors	93,321	28,000
Accruals and deferred income	66,655	45,401
	<u>1,319,049</u>	<u>1,376,875</u>

The bank loan of £1,105,203 (2016: £1,230,545) is secured by a legal charge over the property included within stock.

The bank loan is repayable in quarterly instalments as advised by the bank on the prevailing interest rate with a final repayment due in September 2024. Interest is charged at 3.15% above LIBOR.

In the current and prior year the company was in breach of a loan covenant with its bankers and, consequently, the amount of the bank loan outstanding at the year end has been disclosed in the balance sheet as creditors falling due within one year. The bank are aware of this position and have confirmed that the existing repayment terms will continue to apply.

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

	2017 £	2016 £
Amounts owed to shareholder	689,212	689,212
Other creditors	285,680	257,467
	<u>974,892</u>	<u>946,679</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

8. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
500 'A' Ordinary shares of £1 each	500	500
500 'B' Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

9. Related party transactions

At 31 March 2017, there were amounts owing by the company of £689,212 (2016: £689,212) and accrued interest amounting to £278,249 (2016: £250,219) to G O Mason 1995 Settlement, a shareholder of the company. The loan is unsecured and interest charged during the year amounted to £28,031 (2016: £27,375).

The directors of the company are also members of Mason Partners LLP. The company was charged £4,000 (2016: £4,000) during the year for accountancy fees, £350 (2016: £2,750) for legal & professional fees, £5,530 (2016: £9,565) for letting fees and £15,453 (2016: £13,986) for management fees in connection with the company's property.

Included in other debtors is £919 (2016: £17,767) owed by Mason Partners LLP in relation to a client account. Included in other creditors is £27,321 (2016: £Nil), included in accruals is £7,129 (2016: £4,250) and included in trade creditors is £5,753 (2016: £Nil) owed to Mason Partners LLP in relation to accountancy and management fees.

Included in other debtors is £18,000 (2016: £18,000) owed by Chase Property Development Limited in relation to an interest free loan. The company is related by common directors, G O Mason and A Mason.

Included in other debtors is £10,000 (2016: £Nil) owed by Perrers Properties Limited in relation to an interest free loan. The company is related by common director, G O Mason.

Included in other creditors is £25,000 (2016: £25,000) owed to North West Industrial Estates Limited in relation to an interest free loan. The company is related by a common director, G O Mason.

Included in other creditors is £38,000 (2016: £Nil) owed to Old Ropery Consortium in relation to an interest free, unsecured loan which is repayable upon demand. The company is related by a common director and member, G O Mason.

10. Post balance sheet events

On 5 September 2017, the company sold its property in stock for sale proceeds of £2,725,000 and repaid the outstanding balance on the bank loan.

11. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.