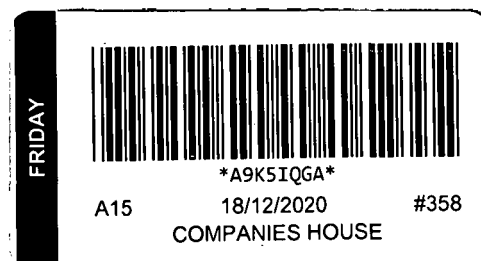

MARSTON PROPERTIES HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



MARSTON PROPERTIES HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J J S Marston MBE C L Marston M J Daniels D A T Robinson N S Tapp D M Tonge
Company secretary	N S Tapp
Registered number	03948741
Registered office	1 Mills Yard Fulham London SW6 3AQ
Independent auditors	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

MARSTON PROPERTIES HOLDINGS LIMITED

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MARSTON PROPERTIES HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

Marston Properties Holdings Limited reports the consolidated results of the subsidiary undertakings - Marston Properties Limited, W J Marston and Son Limited and Square Yard Limited. The Company is an investment holding company that does not trade.

Business review

The group's principal activities continue to be those of investment in properties and property development.

The group concentrates on four main areas of activity being the residential portfolio, the commercial close managed portfolio, the commercial property portfolio that requires less management input and development sites.

The directors present their report together with the audited financial statements for the year ended 31 March 2020.

The operating profit amounted to £3,385,898 against £2,974,970 in 2019. The group results include impairment losses of £560,000 and profits on sales of developments of £338,513 (2019: £124,597 loss). Excluding these events, operating profits increased by £507,818 (16.4%).

At the year end, the directors revalued the portfolio with consideration to external valuations carried out during the year. This resulted in a devaluation of the portfolio of £1,556,529 (0.9%) (2019: £5,236,258). The reduction in value was mostly driven by the downturn in the commercial office market which were partially offset by modest increases in the residential portfolio value. After the devaluation and interest payable of £723,309, the profit before tax was £1,109,981 (2019: £2,773,352 loss).

Turnover from property investment of £7,209,262 (2019: £6,741,338) increased by £467,924 (7%). The increases in rental income have been achieved through acquisitions and the development of the property portfolio. The residential rents on the existing portfolio were stable over the year but the commercial office market began to slow down towards the end of the year in some areas.

During the year, the company paid a dividend of £138,067 (2019: £136,921).

During the year, the group added 3 investments to the residential and commercial property portfolio. Marston Properties Holdings Limited has also continued to pursue the policy of reinvesting profits into the business through developing and refurbishing the existing portfolio. The directors continue to agree that additional investment in the portfolio and business is essential for the long-term success of the company.

The group sold one site during the year and continued to work obtaining planning permission for a further site held in stock and inventory.

Principal risks and uncertainties

The directors have reviewed the principle risks for the group. The predominant risk is identified as the short and medium term consequences affecting businesses due to the current pandemic. This is associated with the market conditions for the supply and demand of rental properties and also the resourcing of skilled labour and materials. It is the director's opinion that the group has adequate resources to manage these risks.

MARSTON PROPERTIES HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Financial key performance indicators

The directors use a range of performance measures to monitor and manage the business. Certain of these are particularly important in the generation of shareholder value and are considered key performance indicators (KPI's). Our KPI's measure past performance and provide information to allow us to manage the business in the future. Our KPI's therefore exclude one-off and exceptional events and are gross profit as a percentage of turnover, administrative expenses as a percentage of turnover, operating profit as a percentage of turnover and gearing.

	2020	2019
Gross profit as a percentage of turnover	80.50%	76.00%
Administrative expenses as a percentage of turnover	30.90%	30.30%
Operating profit as a percentage of turnover	50.00%	44.50%
Gearing	18.30%	14.50%

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

Caroline L Marston

.....
C L Marston
Director

Date: Nov 24, 2020

MARSTON PROPERTIES HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 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 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 Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are 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 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to £571,057 (2019 - £2,427,071).

Dividends declared during the year amounted to £138,067 (2019: £136,921).

Directors

The directors who served during the year were:

J J S Marston MBE
C L Marston
M J Daniels
D A T Robinson
N S Tapp
D M Tonge

MARSTON PROPERTIES HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director 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.

Post balance sheet events

The ongoing pandemic continues to create an uncertain economic climate which may have an impact on the Company's performance.

Auditors

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis 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 and signed on its behalf.

Caroline L Marston

.....
C L Marston
Director

Date: Nov 24, 2020

MARSTON PROPERTIES HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARSTON PROPERTIES HOLDINGS LIMITED

Opinion

We have audited the financial statements of Marston Properties Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, 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 March 2020 and of the Group's profit 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are 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.

MARSTON PROPERTIES HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARSTON PROPERTIES HOLDINGS LIMITED (CONTINUED)

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 Directors' 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 Directors' 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 Directors' 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 directors' 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 Directors' Responsibilities Statement on page 3, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

MARSTON PROPERTIES HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARSTON PROPERTIES HOLDINGS LIMITED (CONTINUED)

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 financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MARSTON PROPERTIES HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARSTON PROPERTIES HOLDINGS
LIMITED (CONTINUED)**

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

M Neville

Myfanwy Neville FCA (Senior Statutory Auditor)

for and on behalf of

Berg Kaprow Lewis LLP

Chartered Accountants

Statutory Auditor

London

Date: Nov 24, 2020

MARSTON PROPERTIES HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover	4	8,859,262	6,741,338
Cost of sales		(2,714,615)	(1,781,616)
Impairment loss		(560,000)	-
Gross profit		5,584,647	4,959,722
Administrative expenses		(2,229,567)	(2,027,615)
Other operating income	5	30,818	42,863
Operating profit	6	3,385,898	2,974,970
Interest receivable and similar income		3,921	814
Interest payable and expenses	10	(723,309)	(555,476)
Fair value loss on investment property revaluation	17	(1,556,529)	(5,193,660)
Profit/(loss) before taxation		1,109,981	(2,773,352)
Tax on profit/(loss)	11	(1,681,038)	346,281
Loss for the financial year		(571,057)	(2,427,071)
Fair value (loss)/gain on property classified as tangible fixed assets	15	(219,823)	(281,818)
Movement of deferred tax on fair value loss/(gain) on property classified as tangible fixed assets	25	15,728	64,743
Other comprehensive (loss)/income for the year		(204,095)	(217,075)
Total comprehensive loss for the year		(775,152)	(2,644,146)
(Loss) for the year attributable to:			
Owners of the parent Company		(571,057)	(2,427,071)
Total comprehensive loss for the year attributable to:			
Owners of the parent Company		(775,152)	(2,644,146)

The notes on pages 18 to 37 form part of these financial statements.

MARSTON PROPERTIES HOLDINGS LIMITED
REGISTERED NUMBER: 03948741

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	-	54,854
Tangible assets	15	1,845,544	2,054,353
Investments	16	12	12
Investment property	17	170,000,926	161,623,088
		<u>171,846,482</u>	<u>163,732,307</u>
Current assets			
Stocks	18	3,996,161	5,591,823
Debtors	19	651,300	690,662
Cash at bank and in hand	20	2,784,570	1,921,371
		<u>7,432,031</u>	<u>8,203,856</u>
Creditors: amounts falling due within one year	21	(2,119,762)	(2,083,059)
Net current assets		<u>5,312,269</u>	<u>6,120,797</u>
Total assets less current liabilities		<u>177,158,751</u>	<u>169,853,104</u>
Creditors: amounts falling due after more than one year	22	(30,000,000)	(22,900,000)
Provisions for liabilities			
Deferred taxation	25	(12,878,653)	(11,759,787)
		<u>(12,878,653)</u>	<u>(11,759,787)</u>
Net assets		<u><u>134,280,098</u></u>	<u><u>135,193,317</u></u>

MARSTON PROPERTIES HOLDINGS LIMITED
REGISTERED NUMBER: 03948741

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital	26	228,201	228,201
Tangible fixed asset revaluation reserve	27	1,205,978	1,410,073
Investment property reserve	27	91,967,791	93,353,049
Profit and loss account	27	40,878,128	40,201,994
Equity attributable to owners of the parent Company		<u>134,280,098</u>	<u>135,193,317</u>

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

Noreen Tapp

.....
N S Tapp
Director

Date: Nov 24, 2020

The notes on pages 18 to 37 form part of these financial statements.

MARSTON PROPERTIES HOLDINGS LIMITED
REGISTERED NUMBER: 03948741

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	16	17,181,813	17,236,173
		<u>17,181,813</u>	<u>17,236,173</u>
Current assets			
Debtors	19	4,307,550	4,307,550
Cash at bank and in hand	20	106,598	4,665
		<u>4,414,148</u>	<u>4,312,215</u>
Creditors: Amounts Falling Due Within One Year	21	(24)	(24)
Net current assets		<u>4,414,124</u>	<u>4,312,191</u>
Total assets less current liabilities		<u>21,595,937</u>	<u>21,548,364</u>
Net assets		<u><u>21,595,937</u></u>	<u><u>21,548,364</u></u>
Capital and reserves			
Called up share capital	26	228,201	228,201
Revaluation Reserve	27	15,497,952	15,497,952
Merger Reserve	27	1,065,401	1,065,401
Profit And Loss Account	27	4,804,383	4,756,810
		<u>21,595,937</u>	<u>21,548,364</u>

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

Noreen Tapp

.....
N S Tapp
 Director

Date: Nov 24, 2020

The notes on pages 18 to 37 form part of these financial statements.

MARSTON PROPERTIES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Tangible fixed asset revaluation reserve	Investment property revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£
At 1 April 2019	228,201	1,410,073	93,353,049	40,201,994	135,193,317	135,193,317
Comprehensive income for the year						
Loss for the year	-	-	-	(571,057)	(571,057)	(571,057)
Movement of deferred tax on unrealised deficit on revaluation of property	-	15,728	-	-	15,728	15,728
Fair value loss on property classified as tangible fixed assets	-	(219,823)	-	-	(219,823)	(219,823)
Other comprehensive loss for the year	-	(204,095)	-	-	(204,095)	(204,095)
Total comprehensive loss for the year	-	(204,095)	-	(571,057)	(775,152)	(775,152)
Dividends: Equity capital	-	-	-	(138,067)	(138,067)	(138,067)
Fair value gains on investment properties transferred to investment properties revaluation reserve	-	-	130,941	(130,941)	-	-
Transfer of deferred tax on investment property revaluation	-	-	(1,516,199)	1,516,199	-	-
Total transactions with owners	-	-	(1,385,258)	1,247,191	(138,067)	(138,067)
At 31 March 2020	228,201	1,205,978	91,967,791	40,878,128	134,280,098	134,280,098

MARSTON PROPERTIES HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Tangible fixed asset revaluation reserve	Investment property revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£
At 1 April 2018	228,201	1,627,148	96,256,612	39,862,423	137,974,384	137,974,384
Comprehensive income for the year						
Loss for the year	-	-	-	(2,427,071)	(2,427,071)	(2,427,071)
Movement on deferred tax on unrealised deficit on revaluation of property classified as tangible fixed assets	-	64,743	-	-	64,743	64,743
Fair value loss on property classified as tangible fixed assets	-	(281,818)	-	-	(281,818)	(281,818)
Other comprehensive loss for the year	-	(217,075)	-	-	(217,075)	(217,075)
Total comprehensive loss for the year	-	(217,075)	-	(2,427,071)	(2,644,146)	(2,644,146)
Dividends: Equity capital	-	-	-	(136,921)	(136,921)	(136,921)
Fair value losses on investment properties transferred to investment properties revaluation reserve	-	-	(3,132,112)	3,132,112	-	-
Transfer of deferred tax on investment property revaluation	-	-	228,549	(228,549)	-	-
Total transactions with owners	-	-	(2,903,563)	2,766,642	(136,921)	(136,921)
At 31 March 2019	228,201	1,410,073	93,353,049	40,201,994	135,193,317	135,193,317

The notes on pages 18 to 37 form part of these financial statements.

MARSTON PROPERTIES HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2019	228,201	15,497,952	1,065,401	4,756,810	21,548,364
Comprehensive income for the year					
Profit for the year	-	-	-	185,640	185,640
Total comprehensive income for the year	-	-	-	185,640	185,640
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(138,067)	(138,067)
Total transactions with owners	-	-	-	(138,067)	(138,067)
At 31 March 2020	228,201	15,497,952	1,065,401	4,804,383	21,595,937

The notes on pages 18 to 37 form part of these financial statements.

MARSTON PROPERTIES HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	228,201	15,497,952	1,065,401	4,558,091	21,349,645
Comprehensive income for the year					
Profit for the year	-	-	-	335,640	335,640
Total comprehensive income for the year	-	-	-	335,640	335,640
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(136,921)	(136,921)
Total transactions with owners	-	-	-	(136,921)	(136,921)
At 31 March 2019	228,201	15,497,952	1,065,401	4,756,810	21,548,364

The notes on pages 18 to 37 form part of these financial statements.

MARSTON PROPERTIES HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(571,057)	(2,427,071)
Adjustments for:		
Amortisation of intangible assets	54,854	54,859
Depreciation of tangible assets	77,921	58,099
Impairments of fixed assets	560,000	-
Interest paid	723,309	555,476
Interest received	(3,921)	(814)
Taxation charge	1,681,038	(346,281)
Decrease in stocks	1,035,662	4,816,551
(Increase)/decrease in debtors	(26,638)	2,028,028
(Decrease) in creditors	(126,217)	(64,751)
Increase/(decrease) in provisions	-	(7,500)
Corporation tax (paid)	(317,524)	(504,456)
Fair value loss on investment property revaluation	1,556,529	5,193,660
Net cash generated from operating activities	4,643,956	9,355,800
Cash flows from investing activities		
Purchase of tangible fixed assets	(88,935)	(97,742)
Purchase of investment properties	(9,934,367)	(10,004,114)
Interest received	3,921	814
Net cash used in investing activities	(10,019,381)	(10,101,042)
Cash flows from financing activities		
New secured loans	7,100,000	1,300,000
Dividends paid	(138,067)	(136,921)
Interest paid	(723,309)	(555,476)
Net cash from financing activities	6,238,624	607,603
Net increase/(decrease) in cash and cash equivalents	863,199	(137,639)
Cash and cash equivalents at beginning of year	1,921,371	2,059,010
Cash and cash equivalents at the end of year	2,784,570	1,921,371
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,784,570	1,921,371

The notes on pages 18 to 37 form part of these financial statements.

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

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

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

The principal place of business is 1 Mills Yard, Hugon Road, London, SW6 3AQ.

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 Company's and the Group's functional and presentational currency is Sterling.

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.

Going concern

On the basis of their assessment of the Group's financial position and resources, the directors believe that they are well placed to manage its business risks.

The loss in the year is attributable to the increase in the provision of deferred tax on potential future capital gains if our investment properties were to be sold, in accordance with FRS102. The increase in provision was driven by the change in the effective tax rate from 17% to 19%.

The group has significant reserves and therefore, the directors believe that there are adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The directors have considered the going concern status of the group in light of the global outbreak of Covid-19, and believe it remains appropriate. This decision has been informed through closely monitoring the management information since the year end. The directors believe that the Company and the Group has the available resources to continue to trade through the current economic climate.

The following principal accounting policies have been applied:

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form 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 Financial Position, 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 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover comprises rental income receivable from letting of investment properties, management fees and goods and services net of value added tax. Turnover also includes revenue recognised by the Group in respect of its property development activities, exclusive of VAT. When turnover is in relation to contracts, revenue is recognised in the period to which it relates, or on satisfactory completion of contracts.

Any ancillary rental income received from properties held for trading or development purposes is shown within other operating income, and is recognised in the period to which it relates.

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Interest income

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

2.6 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.

2.7 Borrowing costs

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

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 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 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.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

The Group's trading premises classified as tangible fixed assets will be revalued each year and be subject to a policy of depreciation as specified below.

Tangible fixed assets under the cost model, other than the Group's trading premises and investment properties, 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.

Depreciation is provided on the following basis:

Freehold property trading premises	- Negligible over its estimated useful economic life of 125 years
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 33.3% straight line

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.

The residual value of the trading premises is considered to be higher than the current valuation of the property in the financial statements, and as a result, the financial statements show no depreciation charge.

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.13 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the year end date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.14 Investment property

Investment property is carried at market 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. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.15 Valuation of investments

Investments in unlisted Company shares are stated at historic cost less impairment.

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

Stock of trading property is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each year end date, the properties are assessed for impairment. If there is an impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income and expenditure statement.

2.17 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 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 debtors and creditors, loans from banks and loans to/from related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.19 Financial instruments (continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may differ from the 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 are addressed below.

Useful economic life of freehold property

This is an estimate of the remaining life of the freehold property held within tangible fixed assets and used for business purposes. The useful life forms the basis of the depreciation rate for the freehold property.

Residual value of freehold property

The residual value of freehold property is estimated in order to calculate the depreciation attributable to the period.

Property valuation

A valuation is carried out for both investment and freehold property classified as tangible fixed assets at the year end date. Judgements and estimation techniques have been employed as part of the professional valuation process to determine the current market value of the property.

No other judgements have been made in the process of applying the above accounting policies.

MARSTON PROPERTIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Turnover

The contributions of the various activities of the Group to turnover are as follows:

	2020 £	2019 £
Rental and service charge income	7,209,262	6,741,338
Development sales	1,650,000	-
	<u>8,859,262</u>	<u>6,741,338</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Net rents receivable	30,818	38,033
Sundry income	-	4,830
	<u>30,818</u>	<u>42,863</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	77,920	58,099
Amortisation of intangible assets, including goodwill	54,854	54,859
Other operating lease rentals	12,750	-
Defined contribution pension cost	97,390	89,317
Impairment of stock	560,000	-
	<u>772,914</u>	<u>192,275</u>

MARSTON PROPERTIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	44,240	38,776
	<u> </u>	<u> </u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation advisory services	75,876	23,171
	<u> </u>	<u> </u>

8. Employees

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

	Group	Group	Company	Company
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	1,611,955	1,717,320	-	-
Social security costs	179,004	182,663	-	-
Cost of defined contribution scheme	97,390	89,317	-	-
	<u>1,888,349</u>	<u>1,989,300</u>	<u>-</u>	<u>-</u>

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

	2020	2019
	No.	No.
Direct labour	10	11
Administration	23	24
	<u>33</u>	<u>35</u>

The Company has no employees other than the directors, who did not receive any remuneration (2019 - £NIL)

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Directors' remuneration

	2020 £	2019 £
Directors' salaries	423,079	493,455
Directors' pension costs	8,492	12,230
	<u>431,571</u>	<u>505,685</u>

During the year retirement benefits were accruing to 1 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £199,437 (2019 - £195,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	<u>723,309</u>	<u>555,476</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	<u>546,444</u>	<u>419,000</u>
Deferred tax		
Origination and reversal of timing differences	<u>1,134,594</u>	<u>(765,281)</u>
Taxation on profit/(loss) on ordinary activities	<u>1,681,038</u>	<u>(346,281)</u>

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	<u>1,109,981</u>	<u>(2,773,351)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	210,896	(526,937)
Effects of:		
Amortisation of investments	10,972	10,972
Expenses not deductible for tax purposes	3,578	1,190
Capital allowances for year in excess of depreciation	(9,950)	(60,825)
Other tax adjustments	35,207	7,805
Fair value loss on investment property revaluation	295,741	986,795
Deferred tax impact	<u>1,134,594</u>	<u>(765,281)</u>
Total tax charge for the year	<u><u>1,681,038</u></u>	<u><u>(346,281)</u></u>

12. Dividends

	2020 £	2019 £
Dividends on ordinary shares	<u>138,067</u>	<u>136,921</u>

13. 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 profit after tax of the parent Company for the year was £185,640 (2019 - £335,640).

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 April 2019	577,458
At 31 March 2020	577,458
Amortisation	
At 1 April 2019	522,604
Charge for the year on owned assets	54,854
At 31 March 2020	577,458
Net book value	
At 31 March 2020	-
At 31 March 2019	54,854

Goodwill arising on acquisition of Tideway Developments Limited in year ended 2009 is being amortised over 10 years. In the opinion of the directors, this represents a prudent estimate of the period over which the group will derive economic benefit from the goodwill existing at the date of acquisition.

MARSTON PROPERTIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2019	1,900,000	72,308	453,619	2,425,927
Additions	-	500	88,435	88,935
Disposals	-	-	(34,674)	(34,674)
Revaluations	(219,823)	-	-	(219,823)
At 31 March 2020	1,680,177	72,808	507,380	2,260,365
Depreciation				
At 1 April 2019	-	63,882	307,692	371,574
Charge for the year on owned assets	-	4,274	73,647	77,921
Disposals	-	-	(34,674)	(34,674)
At 31 March 2020	-	68,156	346,665	414,821
Net book value				
At 31 March 2020	1,680,177	4,652	160,715	1,845,544
At 31 March 2019	1,900,000	8,426	145,927	2,054,353

The 2020 valuations were made by the directors based on market advice from independent valuers, at market value for existing use basis as at 31 March 2020.

The value of land is inextricably connected to the building, and as a result the directors do not feel any split of the value would be meaningful.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
Group		
Cost	268,597	268,597

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

16. Fixed asset investments

Group

	Other fixed asset investments £
Cost	
At 1 April 2019	12
At 31 March 2020	12

The unlisted investments above include 7 ordinary shares in Carlton Square Limited and 5 ordinary shares in 23/24 Heathfield Square Limited.

Company

	Investments in subsidiary companies £
Valuation	
At 1 April 2019	17,236,173
Amounts written off	(54,360)
At 31 March 2020	17,181,813

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Marston Properties Limited	1 Mills Yard, London, SW6 3AQ	Investment property	Ordinary	100%
Square Yard Limited	1 Mills Yard, London, SW6 3AQ	Property development	Ordinary	100%
W J Marston & Son Limited	1 Mills Yard, London, SW6 3AQ	Property development	Ordinary	100%

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

17. Investment property

Group

	Freehold investment property £
Valuation	
At 1 April 2019	161,623,088
Additions at cost	9,934,367
Reduction on revaluation	(1,556,529)
At 31 March 2020	170,000,926

The 2020 valuations were made by the directors based on market advice from independent valuers, on an open market value for existing use basis.

18. Stocks

	Group 2020 £	Group 2019 £
Stock of development property	3,996,161	5,591,823

The carrying value of stocks are stated net of impairment losses totalling £560,000 (2019 - £Nil). These impairment losses were recognised in profit and loss.

Stock recognised in cost of sales during the year as an expense was £1,272,299 (2019: £5,521,333).

The difference between the purchase price of stocks and their replacement cost is not material.

MARSTON PROPERTIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Amounts owed by group undertakings	-	-	4,307,550	4,307,550
Due within one year				
Trade debtors	333,432	165,062	-	-
Other debtors	115,288	123,227	-	-
Prepayments	174,825	302,460	-	-
Tax recoverable	27,755	99,913	-	-
	651,300	690,662	4,307,550	4,307,550

20. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	2,784,570	1,921,371	106,598	4,665

21. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	79,413	352,094	-	-
Corporation tax	162,919	-	-	-
Other taxation and social security	175,698	73,673	-	-
Other creditors	1,399,176	1,272,333	24	24
Accruals and deferred income	302,556	384,959	-	-
	2,119,762	2,083,059	24	24

MARSTON PROPERTIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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

	Group 2020 £	<i>Group 2019 £</i>
Bank loans	30,000,000	<i>22,900,000</i>

Bank loans comprise a revolving credit facility of £37m (2019: £27m), secured against certain freehold investment properties owned by the Group.

23. Loans

Analysis of the maturity of loans is given below:

	Group 2020 £	<i>Group 2019 £</i>
Bank loans falling due 2-5 years	30,000,000	<i>22,900,000</i>

The bank loans comprise a revolving credit facility of £27m, which is due for repayment in full on 7th December 2021 and a further facility of £10m, which is due for repayment in full on 9th May 2024. Interest is charged at LIBOR plus 1.8% on the drawn-down amount. A commitment fee of 0.6% is charged on the facility amount.

24. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Financial assets that are debt instruments measured at amortised cost	448,774	<i>222,100</i>	4,307,550	<i>4,307,550</i>
Financial liabilities				
Financial liabilities measured at amortised cost	(31,272,825)	<i>(24,485,031)</i>	(24)	<i>(24)</i>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, bank loans and accruals.

MARSTON PROPERTIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

25. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(11,759,787)	(12,589,811)
Charged to profit or loss	(1,134,594)	765,281
Charged to other comprehensive income	15,728	64,743
At end of year	(12,878,653)	(11,759,787)
	Group 2020 £	Group 2019 £
Accelerated capital allowances	(125,697)	(97,660)
Tax on fair value adjustment to properties	12,752,956)	11,662,127)
	(12,878,653)	(11,759,787)

We expect deferred tax of approximately £136,000 to be released in the year ended 31 March 2021.

26. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
228,200 (2019 - 228,200) Ordinary G0 shares of £0.10 each	22,820	22,820
228,200 (2019 - 228,200) Ordinary G1 shares of £0.10 each	22,820	22,820
228,200 (2019 - 228,200) Ordinary G2 shares of £0.10 each	22,820	22,820
228,200 (2019 - 228,200) Ordinary G3 shares of £0.10 each	22,820	22,820
228,200 (2019 - 228,200) Ordinary G4 shares of £0.10 each	22,820	22,820
228,200 (2019 - 228,200) Ordinary G5 shares of £0.10 each	22,820	22,820
228,200 (2019 - 228,200) Ordinary G6 shares of £0.10 each	22,820	22,820
228,200 (2019 - 228,200) Ordinary G7 shares of £0.10 each	22,820	22,820
228,200 (2019 - 228,200) Ordinary G8 shares of £0.10 each	22,820	22,820
228,210 (2019 - 228,210) Ordinary G9 shares of £0.10 each	22,821	22,821
	228,201	228,201

All issued shares carry an equal vote in the event of a resolution to liquidate the company or to vary the class rights.

Ordinary G0 to G9 shares have varying dividend rights as determined by the articles of association.

MARSTON PROPERTIES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

27. Reserves

Tangible fixed assets revaluation reserve

The tangible fixed asset revaluation reserve represents the fair value gains recognised in respect of the Group's trading premises classified as a tangible fixed assets, less any adjustments in respect of expected deferred tax liabilities that would arise on disposal of the property. This reserve is not distributable.

Investment property revaluation reserve

The investment property revaluation reserve represents the fair value gains recognised in respect of the Group's investment property portfolio, less any adjustments in respect of deferred tax on expected capital gains tax liabilities arising on these properties. This reserve is not distributable.

Where fair value losses have been identified in relation to investment properties, the fair value loss has been recognised in the profit and loss reserves, and not as a reduction to the investment property revaluation reserve. The associated deferred tax asset was also recognised in the profit and loss reserve as it is expected that these losses will reverse in the foreseeable future.

Merger Reserve

The merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

28. Contingent liabilities

The Group companies have given cross guarantees as security for group bank borrowings. These borrowings are primarily supported by charges over certain freehold properties owned by the group. See note 23 for loan disclosures.

29. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £97,390 (2019: £89,317).

Contributions totalling £12,569 (2019: £10,888) were payable to the fund at the year end date and are included in other creditors.

MARSTON PROPERTIES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

30. Commitments under operating leases

At 31 March 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	13,000	13,000
Later than 1 year and not later than 5 years	52,000	52,000
Later than 5 years	115,647	128,647
	180,647	193,647

31. Related party transactions

During last year, the Group paid service charges of £9,813 to a company in which the Group has a participating interest. In addition, the Group received income from the same company totalling £2,000.

During the year, the Group received services totalling £Nil (2019: £13,440) from a company with a common director.

See note 9 for disclosure of the directors' remuneration and key management compensation.

All of the Company's related party transactions were with other companies that are wholly owned within the Group.

32. Post balance sheet events

The ongoing pandemic continues to create an uncertain economic climate which may have an impact on the Company's performance.