

Company Registration No. 05030453 (England and Wales)

COROB MAYFAIR PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
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COROB MAYFAIR PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investment properties	4	26,670,000		27,990,000	
Current assets					
Debtors	5	483,793		513,776	
Cash at bank and in hand		1,451,581		1,511,693	
		<u>1,935,374</u>		<u>2,025,469</u>	
Creditors: amounts falling due within one year	6	<u>(7,425,799)</u>		<u>(7,738,673)</u>	
Net current liabilities			(5,490,425)		(5,713,204)
Total assets less current liabilities			21,179,575		22,276,796
Provisions for liabilities			<u>(2,388,982)</u>		<u>(2,613,382)</u>
Net assets			<u>18,790,593</u>		<u>19,663,414</u>
Capital and reserves					
Called up share capital			1,200		1,200
Non distributable reserve			15,595,543		19,304,525
Profit and loss reserves			<u>3,193,850</u>		<u>357,689</u>
Total equity			<u>18,790,593</u>		<u>19,663,414</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 3 December 2020 and are signed on its behalf by:

S J Wiseman
Director

Company Registration No. 05030453

COROB MAYFAIR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Corob Mayfair Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is 62 Grosvenor Street, London, England, W1K 3JF.

1.1 Accounting convention

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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Turnover

Turnover comprises of rent and other property related income invoiced to tenants, exclusive of Value Added Tax. Rental income and service charges are recognised in the period to which they relate.

The cost of lease incentives is offset against the total rent due and the net income is then spread evenly over the duration of the lease.

1.3 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

COROB MAYFAIR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable 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.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

COROB MAYFAIR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

Investment properties

The fair value of the company's investment property as at 31 December 2019 was determined by the Directors. The valuations are in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation - Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties. Fair values for investment properties are calculated using the present value income approach. The main assumptions underlying the valuations are in relation to rent profile and yields. A key driver of the property valuations is the terms of the leases in place at the valuation date. These determine the cash flow profile of the property for a number of years. The valuation assumes adjustments from these rental values to current market rent at the time of the next rent review (where a typical lease allows only for upward adjustment) and as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. The nominal equivalent yield is applied as a discount rate to the rental cash flows which, after taking into account other input assumptions such as vacancies and costs, generates the market value of the property. The equivalent yield applied is assessed by reference to market transactions for similar properties and takes into account, amongst other things, any risks associated with the rent uplift assumptions.

The net initial yield is calculated as the current net income over the gross market value of the asset and is used as a sense check and to compare against market transactions for similar properties. The valuation output, along with inputs and assumptions, are reviewed to ensure these are in line with what a market participant would use when pricing each asset.

There are inter relationships between all inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	2	2
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COROB MAYFAIR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Investment property

2019
£

Fair value

At 1 January 2019	27,990,000
Revaluations	(1,320,000)

At 31 December 2019	26,670,000
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The fair value at 31 December 2019 is represented by:

Cost	8,685,475
Valuation in 2015	18,414,525
Valuation in 2016	810,000
Valuation in 2017	680,000
Valuation in 2018	(600,000)
Valuation in 2019	(1,320,000)
	26,670,000

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2019 £	2018 £
Cost	8,685,475	8,685,475

Investment property was valued on an open market basis on 31 December 2019 by W Gear, a member of RICS.

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	70,693	36,879
Amounts owed by related parties	5,272	5,272
Other debtors	407,828	471,625
	483,793	513,776

Amounts owed by related parties are interest free and repayable on demand.

COROB MAYFAIR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	39,872	-
Tax and social security	82,069	150,333
Amounts owed to related parties	6,383,749	6,383,749
Other creditors	491,957	728,306
Accruals and deferred income	428,152	476,285
	<u>7,425,799</u>	<u>7,738,673</u>

Amounts owed to related parties relates to a loan from Charterhouse Square Finance Company Limited, a company with common directors and shareholders. This balance is repayable on demand. During 2018 and 2019, interest was charged at a rate of 2.5% above the National Westminster Bank plc base rate.

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was David Green MA (Cantab) ACA.
The auditor was Azets Audit Services.

8 Contingent liabilities

National Westminster Bank plc hold a charge against the company's freehold property in support of a loan facility granted to Corob Holdings Limited which by virtue of a 47.7% holding in it's ultimate parent company is a related party. The balance outstanding on the loan at 31 December 2019 was £20,000,000 (2018: £20,000,000).

9 Post balance sheet events

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern.

The Company continues to carry out regular detailed reviews of the potential impacts of COVID-19 and monitor developments closely. As at the date of this report, the company's position continues to remain strong and acknowledges that the full effect on the company's income and property assets remains to be seen.

The Company has assessed the coronavirus pandemic as a non-adjusting post balance sheet event for these Financial Statements.

COROB MAYFAIR PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Ultimate controlling party

The company is a wholly owned subsidiary of Corob Mayfair Holdings Limited, a company registered in England and Wales.

The ultimate controlling party is Corob (West One) Limited which is 47.7% owned by Corob Holdings Limited.

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.