

Convoys Properties Limited

Annual report and financial statements

for the year ended 31 December 2022

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Convoys Properties Limited

Annual report and financial statements For the year ended 31 December 2022

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Convoys Properties Limited

Directors' report

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2022.

Principal activity and review of business

The principal activity of the Company is the development of the land at Convoys Wharf, London, as a mixed-use property scheme. During the year the archaeological investigation and the piling works for some sites have been completed. The directors are satisfied with the level of business and year-end financial position of the Company. The Company will continue to develop the Convoys Wharf project as part of its future developments.

The directors do not anticipate any material disruption to the company's ability to operate going forward.

Results and dividends

The results and financial position of the Company for the year ended 31 December 2022 are set out in the financial statements. No interim dividend was paid during the year (2021: nil) and the directors do not recommend the payment of a final dividend (2021: nil).

Loss for the financial year of £2,812,825 (2021: £1,526,140 loss) has been transferred to reserves. The net finance charge for the year includes a finance charge of £2,801,965 relating to shareholder loans with fellow group companies (2021: £1,199,673 relating to a shareholder loan with a fellow group company).

The balance sheet on page 10 shows the Company's financial position at the year-end with net liabilities of £12,911,003 (2021: £10,098,178 net liabilities).

Future developments

The company will continue to progress the development of the Convoys Wharf project.

Subsequent event

On 4 May 2023, the £17,500,000 loan from Circadian Limited, a fellow group company, was repaid together with the interest payable.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to the planning regulations, external economic climate and demands in both commercial and residential property sectors.

The crisis in Ukraine and the financial sanctions against Russia announced by the UK Government may interrupt supplies of commodities, oil, gas and electricity. This has contributed to the increase in cost of living with the rising cost of energy and has led to inflation hitting record high in 40 years. The Company continues to closely monitor the position and assesses any possible impacts on the going concern of the Company.

The directors will continue to pro-actively monitor developments to ensure all risks and opportunities for the business are identified as soon as possible. The directors do not currently anticipate material disruption or impact to business and the Company continues to enjoy the support of its shareholders and group companies.

Financial risk management

The management manages and assesses the exposures to the following financial risks by the Company to ensure appropriate measures are implemented in a timely and effective manner.

(i) Credit risk

The Company has no significant concentrations of credit risk with third parties.

(ii) Interest rate risk

The Company has no significant interest bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates. Borrowings at market interest rates expose the Company to cash flow interest rate risk.

Convoys Properties Limited

Directors' report (continued)

Financial risk management (continued)

(iii) Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company obtains support from its ultimate holding company and controlling party to provide adequate funds to enable the Company to meet in full its financial obligation as they fall due in the foreseeable future.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that no further analysis is required for an understanding of the development, performance or position of the business.

Going concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for a period of at least twelve months from the date when the financial statements are authorised for issue. Whilst the Company has net liabilities of £12,911,103 at 31 December 2022, the Company's ultimate holding company and controlling party has agreed to provide adequate funds to enable the Company to meet in full its financial obligations as they fall due for a period of at least twelve months from the date when the financial statements are authorised for issue. The directors have considered the ability and intent of the ultimate holding company to provide this support and are satisfied that this will remain available. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Since the COVID-19 restrictions were lifted on 24 February 2022, the directors do not currently anticipate material disruption or impact to business arising from COVID-19 and the Company continues to enjoy the support of its shareholder and group companies.

Directors

The following held office as directors during the year and up to the date of signing the financial statements:

Hing Lam Kam
Justin Chiu
Raymond Chow
Raymond Tam

None of the directors had any interests in the shares of the Company during the year.

No director beneficially owns any of the ordinary shares or share options of the Company or has had a material interest in contracts of any significance during or at the end of the year.

Directors' and officers' liability insurance and qualifying third party indemnity are provided to the directors of the Company by another company within the CK Asset Holdings group. The CK Asset Holdings group is defined as CK Asset Holdings Limited and its subsidiaries.

Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 (1) to (4) of the Companies Act 2006.

Convoys Properties Limited

Directors' report (continued)

Independent auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed to the shareholder.

Approved by the Board and signed on its behalf by:



Raymond Chow
Director

25 September 2023

Convoys Properties Limited

Directors' responsibilities statement Convoys Properties Limited

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Convoys Properties Limited

Independent auditor's report to the members of Convoys Properties Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Convoys Properties Limited (the "company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

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).

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Convoys Properties Limited

Independent auditor's report to the members of Convoys Properties Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

Convoys Properties Limited

Independent auditor's report to the members of Convoys Properties Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and

do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud to be in the incentive for management to manipulate assumptions used in the assessment of the carrying value of stocks. Our specific procedures performed to address it are described below:

- We have assessed the forecast cost and sales assumptions utilised in management's impairment assessment in comparison to contracted costs and market data, including testing the mathematical accuracy of the project model. We have also performed movement analysis based on prior year values as well as sensitivity tests on adverse changes in the assumptions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Convoys Properties Limited

Independent auditor's report to the members of Convoys Properties Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andy Siddons, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

25 September 2023

Convoys Properties Limited

Profit and loss account

For the year ended 31 December 2022

	Notes	2022 £	2021 £
Administrative expenses		(483,726)	(418,624)
Other operating income		-	9,000
Operating loss	3	(483,726)	(409,624)
Net interest payable and similar expenses	4	(2,642,016)	(1,194,445)
Loss before taxation		(3,125,742)	(1,604,069)
Tax on loss	6	312,917	77,929
Loss for the financial year and total comprehensive expense		<u>(2,812,825)</u>	<u>(1,526,140)</u>

All results are from continuing operations.

There are no recognised gains or losses other than those shown above and consequently no separate statement of total comprehensive income is presented.

The notes on pages 12 to 18 form part of these financial statements.

Convoys Properties Limited

Balance sheet

As at 31 December 2022

	Notes	2022 £	2021 £
Current assets			
Stocks	7	162,478,500	148,192,102
Debtors	8	1,060,775	833,463
Cash at bank and in hand		25,322,883	10,720,853
		<u>188,862,158</u>	<u>159,746,418</u>
Creditors: amounts falling due within one year	9	<u>(64,063,161)</u>	<u>(62,134,596)</u>
Net current assets		<u>124,798,997</u>	<u>97,611,822</u>
Total assets less current liabilities		<u>124,798,997</u>	<u>97,611,822</u>
Creditors: amounts falling due after more than one year	10	<u>(137,710,000)</u>	<u>(107,710,000)</u>
Net liabilities		<u>(12,911,003)</u>	<u>(10,098,178)</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		<u>(12,911,103)</u>	<u>(10,098,278)</u>
Shareholder's deficit		<u>(12,911,003)</u>	<u>(10,098,178)</u>

The financial statements of Convoys Properties Limited (05338227) were approved by the Board of Directors and authorised for issue on 25 September 2023. They were signed on its behalf by:


Raymond Chow
Director


Raymond Tam
Director

The notes on pages 12 to 18 form part of these financial statements.

Convoys Properties Limited

Statement of changes in equity

As at 31 December 2022

	Called up share capital £	Profit and loss account £	Total £
Balance as at 1 January 2021	100	(8,572,138)	(8,572,038)
Loss for the year and total comprehensive expense		(1,526,140)	(1,526,140)
Balance as at 31 December 2021	100	(10,098,278)	(10,098,178)
Loss for the year and total comprehensive expense	-	(2,812,825)	(2,812,825)
Balance as at 31 December 2022	100	(12,911,103)	(12,911,003)

The notes on pages 12 to 18 form part of these financial statements.

Convoys Properties Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

The principal accounting policies of the Company, which have been applied consistently during the current and previous years, are as follows:

a. General information and basis of accounting

Convoys Properties Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is Hutchison House, 5 Hester Road, Battersea, London SW11 4AN, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 1 to 3.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 issued by the Financial Reporting Council and the Companies Act 2006.

The functional and presentational currency of the Company is considered to be pounds sterling because this is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, for financial instruments, related party transactions, remuneration of key management personnel and cash flow statement. The Company is consolidated in the financial statements of its ultimate parent undertaking and controlling party, CK Asset Holdings Limited and its registered address is disclosed in note 13.

b. Going concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for a period of at least twelve months from the date when the financial statements are authorised for issue. Whilst the Company has net liabilities of £12,911,003 at 31 December 2022, the Company's ultimate holding company and controlling party has agreed to provide adequate funds to enable the Company to meet in full its financial obligations as they fall due for a period of at least twelve months from the date when the financial statements are authorised for issue. The directors have considered the ability and intent of the ultimate holding company to provide this support and are satisfied that this will remain available. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Since the COVID-19 restrictions were lifted on 24 February 2022, directors do not currently anticipate material disruption or impact to business arising from COVID-19 and the Company continues to enjoy the support of its shareholder and group companies.

c. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Convoys Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

1. Accounting policies (continued)

d. Borrowing costs

The Company has opted to expense borrowing costs which are directly attributable to the construction of tangible fixed assets to the profit and loss account.

e. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost of stocks comprises land acquisition, construction and other development expenditure.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

g. Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

h. Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax are measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

i. Interest receivable

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Convoys Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, for example, accruals. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors have not identified any critical accounting judgements this year.

Key source of estimation uncertainty – impairment of stock

Determining whether stocks are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the receipt of future sales proceeds at market value, the future cost to complete and a suitable discount rate in order to calculate present value. The value of stock at the end of 2022 is £162,478,500 (2021: £148,192,102) and disclosed in note 7.

3 Operating loss

Operating loss is stated after charging the following:

	2022 £	2021 £
Auditor's remuneration for auditing of the financial statements	16,576	11,581

There were no non-audit services provided to the Company in either the current and prior year.

4. Net interest payable and similar expenses

	2022 £	2021 £
Interest payable and similar expenses:		
Loans from fellow group companies	(2,801,965)	(1,199,673)
	(2,801,965)	(1,199,673)
Interest receivable and similar income:		
Bank interest receivable	159,949	5,228
Net interest payable	(2,642,016)	(1,194,445)

5. Employees and directors' emoluments

No fees or other emoluments were paid to the directors in respect of their services to the Company during the year (2021: nil). The directors are remunerated through other group companies and a proportionate amount cannot be determined for their work for this Company.

The Company had no employees in both the current and prior year.

Convoys Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

6. Tax on loss

	2022 £	2021 £
Current tax:		
UK Corporation Tax for the year at 19% (2021: 19%)	98,797	53,755
Adjustments in respect of prior years	214,120	24,174
Total current tax credit	312,917	77,929

The tax credit assessed for the year is lower (2021: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

Factors affecting the credit for the year

	2022 £	2021 £
Loss before taxation	(3,125,742)	(1,604,069)
Taxation credit at 19% (2021: 19%)	593,891	304,773
Effects of:		
Corporate interest restriction	(479,184)	(214,539)
Expenses not deductible for tax purposes	(15,910)	(36,479)
Surrender of prior year losses via group relief	214,120	24,174
Total current tax credit	312,917	77,929

As at 31 December 2022, the Company has unrecognised tax losses of £2,122,644 (2021: £2,122,644), to carry forward against future taxable income. These tax losses have no expiry date. The deferred tax asset has not been recognised on the basis that the project is at an early stage and future profits cannot be determined with appropriate certainty.

The corporation tax rate in the UK remained at 19% (2021: 19%). Accordingly, the Company's losses for this accounting period are taxed at an effective rate of 19% (2021: 19%).

Finance Bill 2022 enacted provisions to increase the main rate of UK corporation tax to 25% from 1 April 2023 and introduced a small profits rate set at 19% for companies with profits up to £50,000 along with associated companies rules.

Convoys Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

7. Stocks

	2022 £	2021 £
Development land and work in progress		
- Land	106,593,424	106,593,424
- Planning and other costs	55,885,076	41,598,678
	<u>162,478,500</u>	<u>148,192,102</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

8. Debtors

	2022 £	2021 £
VAT recoverable	610,429	685,177
Other debtors	83,675	70,357
Amount due from related entities (note 12)	366,671	77,929
	<u>1,060,775</u>	<u>833,463</u>

All debtors are due within one year. The amount owed from fellow related entities are unsecured, interest free and repayable on demand.

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,040,033	757,313
Amounts due to group undertakings	60,556,024	60,510,491
Other creditors	155,452	75,441
Accruals	333,516	309,750
Interest payable to fellow group companies	1,978,136	481,601
	<u>64,063,161</u>	<u>62,134,596</u>

Amount owed to group undertakings are unsecured, interest free and repayable on demand.

Convoys Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

10. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Loans from fellow group companies	137,710,000	107,710,000
	<u>137,710,000</u>	<u>107,710,000</u>

A £90,210,000 loan from Thrive View Investments Limited, a fellow group company, is interest bearing at a rate of SONIA + 1% per annum, is unsecured, was borrowed on 20 August 2019 and is repayable on 19 August 2024.

A £17,500,000 loan was also issued from Circadian Limited, a fellow group company, is interest bearing at a rate of SONIA + 1.01% per annum, is unsecured, was borrowed on 16 August 2021 and was repaid on 4 May 2023.

A £30,000,000 loan from Thrive View Investments Limited, a fellow group company, is interest bearing at a rate of SONIA + 1.4644% per annum, is unsecured, was borrowed on 31 October 2022 and is repayable on 30 October 2027.

11. Called up share capital

	2022	2021
	£	£
Allotted and fully paid		
100 (2021: 100) ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

12. Related party transactions

At the balance sheet date, included in amounts due from related entities are £366,671 (2021: £53,755) owed from Circadian Limited; nil (2021: £22,289) owed from Albion Riverside Commercial Limited; nil (2021: £1,885) owed from Albion Properties Limited and, of which are subsidiaries of CK Asset Holdings Limited.

The Company has borrowed loans from its fellow group company, Circadian Limited. Finance charges were accrued and charged to the profit and loss account as follows:

	2022	2021
	£	£
Circadian Limited	391,581	80,994
	<u>391,581</u>	<u>80,994</u>

The Company has taken advantage of the exemption contained in S33.1A of FRS 102 "Related party disclosures" from disclosing related party transactions within the group. All other amounts owed to related parties are disclosed in note 10.

Convoys Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

13. Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is Cothill Developments Limited, a company incorporated in the British Virgin Islands.

The Company's ultimate parent undertaking and controlling party is CK Asset Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands. The address of the registered office is PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The group financial statements of CK Asset Holdings Limited, which is both the largest and smallest group into which the financial results of the Company are consolidated, can be obtained from 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

14. Financial commitments

Capital commitments are as follows:

	2022 £	2021 £
Contracted for but not provided for		
- Properties under development	30,325,427	2,053,512

15. Subsequent events

On 4 May 2023, the £17,500,000 loan from Circadian Limited, a fellow group company, was repaid together with the interest payable.