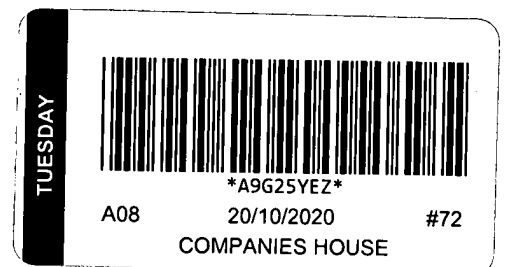


**Chancerygate (Milton Keynes) Limited**  
**Directors' Report and Financial Statements**  
**For the year ended**  
**31 March 2020**



# **Chancerygate (Milton Keynes) Limited**

## **Financial Statements**

**Year ended 31 March 2020**

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# **Chancerygate (Milton Keynes) Limited**

## **Officers and Professional Advisers**

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**The board of directors**

Mr James Deane  
Mr Richard Bains

**Company secretary**

Chancerygate Corporate Services Limited

**Registered office**

12a Upper Berkeley Street  
London  
W1H 7QE

**Auditor**

BDO LLP  
Chartered Accountant & Statutory Auditor  
55 Baker Street  
London  
W1U 7EU

# **Chancerygate (Milton Keynes) Limited**

## **Directors' Report**

**Year ended 31 March 2020**

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

### **Directors**

The directors who served the company during the year were as follows:

Mr James Deane  
Mr Richard Bains

### **Qualifying indemnity provision**

The company has granted an indemnity to all of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

### **Directors' responsibilities statement**

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

# Chancerygate (Milton Keynes) Limited

## Directors' Report *(continued)*

Year ended 31 March 2020

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### Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

BDO LLP have been appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006 following the resignation of Grant Thornton LLP.

### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24 September 2020 and signed on behalf of the board by:



Mr James Deane  
Director

Registered office:  
12a Upper Berkeley Street  
London  
W1H 7QE

# **Chancerygate (Milton Keynes) Limited**

## **Independent Auditor's Report to the Members of Chancerygate (Milton Keynes) Limited**

**Year ended 31 March 2020**

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### **Opinion**

We have audited the financial statements of Chancerygate (Milton Keynes) Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, 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 FRS 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 company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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**

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 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.

### **Emphasis of matter**

We draw attention to note 8, which explains that as a result of the impact of the outbreak of the Novel Coronavirus (COVID-19) on the market, the directors valuation of the investment property should be treated with a higher degree of caution, than would normally be the case. In particular, the Directors have had to exercise judgement about the financial strength of the underlying tenants and the impact that any perceived weakening of their covenant strength might have on the market's view of the yield applied to the property. Given the unknown future impact that COVID-19 might have on the real estate market, the valuation is subject to material change and should be kept under frequent review. Our opinion is not modified in respect of this matter.

# **Chancerygate (Milton Keynes) Limited**

## **Independent Auditor's Report to the Members of Chancerygate (Milton Keynes) Limited** *(continued)*

**Year ended 31 March 2020**

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### **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 auditor's 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.

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.

### **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.

### **Matter on which we are required to report by exception**

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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 the 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors reports and take advantage of the small companies exemption from the requirement to prepare a strategic report.

# **Chancerygate (Milton Keynes) Limited**

## **Independent Auditor's Report to the Members of Chancerygate (Milton Keynes) Limited** *(continued)*

**Year ended 31 March 2020**

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### **Responsibilities of directors for the financial statements**

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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

### **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.



Thomas Edward Goodworth (Senior Statutory Auditor)

For and on behalf of  
BDO LLP  
Chartered Accountant & Statutory Auditor  
55 Baker Street  
London  
W1U 7EU

24 September 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Chancerygate (Milton Keynes) Limited

## Statement of Comprehensive Income

Year ended 31 March 2020

	Note	2020 £	2019 £
Turnover		1,109,666	2,228,072
Cost of sales		(149,580)	(1,158,629)
<b>Gross profit</b>		<b>960,086</b>	<b>1,069,443</b>
Administrative expenses		(7,677)	(6,979)
Exceptional item - unrealised gain on transfer to investment property		—	1,062,924
Unrealised property gain		1,113,775	1,000,000
<b>Operating profit</b>		<b>2,066,184</b>	<b>3,125,388</b>
Other interest receivable and similar income		519	99
Interest payable and similar expenses		(464,023)	(460,889)
<b>Profit before taxation</b>	<b>7</b>	<b>1,602,680</b>	<b>2,664,598</b>
Tax on profit		(387,773)	(455,767)
<b>Profit for the financial year and total comprehensive income</b>		<b><u>1,214,907</u></b>	<b><u>2,208,831</u></b>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 10 to 17 form part of these financial statements.

# Chancerygate (Milton Keynes) Limited

## Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investment Property	8	17,363,775	16,250,000
<b>Current assets</b>			
Debtors	9	950,384	1,246,685
<b>Creditors: amounts falling due within one year</b>	10	(8,554,904)	(5,382,563)
<b>Net current liabilities</b>		(7,604,520)	(4,135,878)
<b>Total assets less current liabilities</b>		9,759,255	12,114,122
<b>Creditors: amounts falling due after more than one year</b>	11	(5,199,418)	(7,065,000)
<b>Provisions</b>	12	(576,860)	(281,052)
<b>Net assets</b>		<u>3,982,977</u>	<u>4,768,070</u>
<b>Capital and reserves</b>			
Called up share capital		4	4
Share premium account		–	3,551,850
Profit and loss account		3,982,973	1,216,216
<b>Shareholders funds</b>		<u>3,982,977</u>	<u>4,768,070</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

These financial statements were approved by the board of directors and authorised for issue on 24 September 2020, and are signed on behalf of the board by:



Mr James Deane  
Director

Company registration number: 05694528

The notes on pages 10 to 17 form part of these financial statements.

# Chancerygate (Milton Keynes) Limited

## Statement of Changes in Equity

Year ended 31 March 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 April 2018</b>	4	3,551,850	(992,615)	2,559,239
Profit for the year	-	-	2,208,831	2,208,831
<b>Total comprehensive income for the year</b>	-	-	2,208,831	2,208,831
<b>At 31 March 2019</b>	4	3,551,850	1,216,216	4,768,070
Profit for the year	-	-	1,214,907	1,214,907
<b>Total comprehensive income for the year</b>	-	-	1,214,907	1,214,907
Dividends paid and payable	-	-	(2,000,000)	(2,000,000)
Capital reduction	-	(3,551,850)	3,551,850	-
<b>Total investments by and distributions to owners</b>	-	(3,551,850)	1,551,850	(2,000,000)
<b>At 31 March 2020</b>	4	-	3,982,973	3,982,977

The notes on pages 10 to 17 form part of these financial statements.

# Chancerygate (Milton Keynes) Limited

## Notes to the Financial Statements

Year ended 31 March 2020

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### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 12a Upper Berkeley Street, London, W1H 7QE.

### 2. Statement of compliance

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

### 3. Accounting policies

#### Company information

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification of certain financial assets and liabilities and investment properties measured at fair value through the Statement of Income and Retained Earnings.

The financial statements are presented in Sterling (£), which is the functional currency of the entity.

#### Interest costs

All financing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

#### Going concern

The financial statements have been prepared on a going concern basis. In considering going concern, management review the financial information of the company for a period of at least 12 months from the date of approval of the financial statements. Having reviewed this information, and with particular reference to the potential impact of the prevailing situation with COVID-19 in 2020, management believes that the company has sufficient resources to continue in operational existence for the foreseeable future with the support of its parent company. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# **Chancerygate (Milton Keynes) Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2020**

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### **3. Accounting policies** *(continued)*

#### **Revenue recognition**

Turnover represents income from the sale and rental of development properties at invoiced amounts less value added tax and arises solely within the United Kingdom. Sales of properties are accounted for when exchanged contracts become unconditional. Profits on pre-sold development properties are only accounted for when all material development risks have passed. Rental income on operating leases is recognised on a straight line basis over the lease term.

#### **Investment property**

Investment property is carried at fair value determined annually by directors of Company. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

#### **Exceptional items**

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

# Chancerygate (Milton Keynes) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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### 3. Accounting policies *(continued)*

#### Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

# Chancerygate (Milton Keynes) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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### 3. Accounting policies *(continued)*

#### Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### 4. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>3,100</u>	<u>1,500</u>

### 5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019: £nil). The directors are remunerated through Chancerygate Limited.

### 6. Exceptional items

	2020	2019
	£	£
Transfer to investment property	<u>–</u>	<u>1,053,709</u>

# Chancerygate (Milton Keynes) Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2020

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#### 6. Exceptional items *(continued)*

In June 2018, following a strategic review of the business, the Company reclassified some its' trading property from stock to investment property, as the intention is to now hold onto this asset for the longer term. Stock is valued at the lower of cost and net realisable value, and investment property is held at fair value. Therefore an unrealised gain or loss arises on the transfer which was recognised in the profit and loss account in the prior year.

#### 7. Profit before taxation

Profit before taxation is stated after crediting:

	2020 £	2019 £
Transfer to investment property adjustment (see note 8)	–	(1,053,709)
Revaluation of investment property at year end	<u>(1,113,775)</u>	<u>(1,000,000)</u>

#### 8. Investment property

	Investment Property £
<b>Fair value</b>	
At 1 April 2019	16,250,000
Revaluations	<u>1,113,775</u>
<b>At 31 March 2020</b>	<u><b>17,363,775</b></u>
<b>At 1 April 2019 and 31 March 2020</b>	<u><b>–</b></u>
<b>Carrying amount</b>	
<b>At 31 March 2020</b>	<u><b>17,363,775</b></u>
At 31 March 2019	<u>16,250,000</u>



# Chancerygate (Milton Keynes) Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2020

---

#### 8. Investment property *(continued)*

In June 2018, following a strategic review of the business, the Company reclassified some of its' trading property from stock to investment property, as the intention is to now hold onto these assets for the longer term. Stock is valued at the lower of cost and net realisable value, and investment properties are held at fair value. Therefore an unrealised gain or loss arises on the transfer which is recognised in the profit and loss account.

In June 2018, Knight Frank undertook a valuation of the property on behalf of the bank. Knight Frank is an independent firm of chartered surveyors, whom have a recognised and relevant professional qualification. The basis of an open market value used is in accordance with the definition provided by the Royal Institute of Chartered Surveyors.

At 31 March 2020 and 31 March 2019, the property was valued by the directors, one of whom has a recognised and relevant professional qualification. The Knight Frank valuation done in the 2018 year end, and the advice sought from an internal chartered surveyor was taken into consideration, as well as the following critical assumptions:

- Tenure type (freehold or leasehold)
- Tenancy arrangements
- Remaining lease terms
- Rent review provisions
- Property age, condition and dilapidation requirements

The increase in fair value at year end is as a result of the expiry of the rent free and void periods. This fair value increase is net of any rent incentivisations that are recognised elsewhere in the balance sheet.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors, as at the Valuation Date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. The year end valuation is therefore reported as being subject to material valuation uncertainty. Consequently, less certainty - and a higher degree of caution - should be attached to the valuation than would normally be the case. In particular, the Directors have had to exercise judgement about the financial strength of the underlying tenants and the impact that any perceived weakening of their covenant strength might have on the market's view of the yield applied to the property. Given the unknown future impact that COVID-19 might have on the real estate market, the valuation is subject to material change and should be kept under frequent review.

# Chancerygate (Milton Keynes) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 9. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	–	439,029
Amounts owed by undertakings in which the company has a participating interest	401,303	334,419
Deferred tax asset	76,602	76,602
Prepayments and accrued income	–	18,018
VAT refund due	2	11,521
Other debtors	472,477	367,096
	<u>950,384</u>	<u>1,246,685</u>

Included within other debtors is an amount of £136,225 (2019: £nil) that relates to a rent incentivisation provision.

Amounts owed by group is repayable on demand and interest free.

### 10. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	350,000	–
Trade creditors	30,654	93,361
Amounts owed to group undertakings	7,819,510	4,800,000
Accruals and deferred income	337,390	314,250
Other creditors	17,350	174,952
	<u>8,554,904</u>	<u>5,382,563</u>

The bank loan due within one year relates to the amortisation due on the Lloyds Bank plc facility as detailed in note 11 below.

The amounts owed to group undertakings includes an amount of £4,800,000 (2019: £4,800,000) in respect of an unsecured loan passed to the company via the parent and upon which interest at 6% is paid. That loan also carries a right to a share in the profit on the development should it be disposed of. The loan agreement is between the lender and Chancerygate Limited, the ultimate parent company. No interest is charged on the remainder of the amount owed to group undertakings.

### 11. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	<u>5,199,418</u>	<u>7,065,000</u>

Interest on the loan is payable at LIBOR + 2.00%. The loan is secured by a first legal charge over the freehold property forming investment property and a first floating charge over the assets of the company. The loan facility expires in June 2021.

# Chancerygate (Milton Keynes) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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### 12. Provisions

The provision noted for the current and prior year on the statement of financial position relates to a deferred tax liability of £401,618 (2019: £190,000) made with respect to the revaluation of investment property to fair value and accelerated capital allowances of £175,242 (2019: £91,052).

### 13. Related party transactions

Amounts due from related undertakings are set out in the table below:

	2020 £	2019 £
Related undertakings		
O&T Properties Limited	401,303	334,419

During the year the company issued an invoice to O&T Properties Limited for the sale recorded in Chancerygate (Milton Keynes) Limited for £334,419 to O&T Properties Limited in the prior year (2019: £334,419). O&T Properties Limited is regarded as a related party by virtue of the fact that Andrew Johnson is an ultimate shareholder of both companies.

### 14. Controlling party

The immediate parent of the company is Chancerygate (Business Centre) Limited, whilst the ultimate parent company is Chancerygate Limited. Both companies are incorporated in the United Kingdom. A W Johnson is the ultimate controlling party. Chancerygate Limited is a private limited company registered at 12a Upper Berkeley Street, London, England, W1H 7QE.