

Grainmarket Properties Limited
Directors' Report and
Consolidated Financial Statements
for the Year Ended 31 March 2023

**Contents of the Consolidated Financial Statements
for the year ended 31 March 2023**

	Page
Company Information	1
Directors' Report	2
Independent Auditors' Report	3
Consolidated Income Statement	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Notes to the Consolidated Financial Statements	9

Grainmarket Properties Limited

**Company Information
for the year ended 31 March 2023**

Directors:

M J Crader
P J Hart
E S Morriss

Registered office:

1 Gracechurch Street
London
EC3V 0DD

Registered number:

03054080 (England and Wales)

Auditors:

Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

**Directors' Report
for the year ended 31 March 2023**

The directors of Grainmarket Properties Limited ('the Parent Company') and its subsidiaries ('the Group') present their report with the financial statements of the Parent Company and the Group for the year ended 31 March 2023.

Principal activity

The principal activity of the Parent Company and the Group continued to be that of property investment and the development of residential property for sale.

Directors

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

M J Crader
P J Hart
E S Morriss

Political donations and expenditure

Total donations paid during the year were £1,635 (2022: £32,111). None of which were political in nature.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the 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 Parent Company and the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and 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 Parent Company will continue in business.

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

M J Crader - Director

19 October 2023

Independent Auditors' Report to the Members of Grainmarket Properties Limited

Opinion

We have audited the financial statements of Grainmarket Properties Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet and Notes to the Financial Statements, 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 affairs as at 31 March 2023 and of the Group's loss 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 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

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 performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent 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 section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include 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.

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 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.

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.

Independent Auditors' Report to the Members of Grainmarket Properties Limited

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 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 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; or
- 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 from the requirement to prepare a Group Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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.

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.

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 gained an understanding of the legal and regulatory framework applicable to the Parent Company and the Group and the industry in which they operate, and considered the risk of acts by the Parent Company and the Group that were contrary to applicable laws and regulations, including fraud. We discussed with management the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focused on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual; suspected or alleged fraud and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Independent Auditors' Report to the Members of Grainmarket Properties Limited

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in the 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Jepson FCCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

19 October 2023

**Consolidated
Income Statement
for the year ended 31 March 2023**

		2023	2022
	Notes	£	£
Turnover		5,506,336	6,917,712
Cost of sales		<u>(2,514,739)</u>	<u>504,084</u>
Gross profit		2,991,597	7,421,796
Administrative expenses		<u>(2,596,346)</u>	<u>(8,769,075)</u>
		395,251	(1,347,279)
Other operating income		<u>49,600</u>	<u>-</u>
Group operating profit/(loss)		444,851	(1,347,279)
Share of operating (loss)/profit in Joint ventures		(950,125)	602,353
Associates		17,685	-
Gain on acquisition and disposal of subsidiaries	4	-	3,734,258
Amounts written off investment	4	<u>-</u>	<u>(87,650)</u>
		(487,589)	2,901,682
Income from interest in associated undertakings		-	94,080
Income from fixed asset investments		68,627	-
Interest receivable and similar income		<u>224,478</u>	<u>111,699</u>
		(194,484)	3,107,461
Amounts written off investments Associates		-	(58,023)
Gain/loss on revaluation of investment property		<u>(7,191,096)</u>	<u>8,132,550</u>
		(7,385,580)	11,181,988
Interest payable and similar expenses		<u>(2,082,360)</u>	<u>(2,017,726)</u>
(Loss)/profit before taxation	5	(9,467,940)	9,164,262
Tax on (loss)/profit		<u>194,208</u>	<u>3,084,321</u>
(Loss)/profit for the financial year		<u>(9,273,732)</u>	<u>12,248,583</u>
(Loss)/profit attributable to:			
Owners of the parent		(8,643,068)	11,427,806
Non-controlling interests		<u>(630,664)</u>	<u>820,777</u>
		(9,273,732)	12,248,583

Consolidated Balance Sheet
31 March 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Intangible assets	7		419,840		483,320
Tangible assets	8		1,407,646		1,700,207
Investments	9				
Interest in associate			17,685		118,108
Other investments			690		306,860
Investment property	10		<u>106,282,334</u>		<u>114,550,692</u>
			108,128,195		117,159,187
Current assets					
Stocks		3,760,000		4,780,000	
Debtors	11	2,293,568		14,504,449	
Investments	12	726,266		1,663,199	
Cash at bank		<u>6,951,118</u>		<u>1,141,233</u>	
		13,730,952		22,088,881	
Creditors					
Amounts falling due within one year	13	<u>5,252,490</u>		<u>12,969,231</u>	
Net current assets			<u>8,478,462</u>		<u>9,119,650</u>
Total assets less current liabilities			<u>116,606,657</u>		<u>126,278,837</u>
Creditors					
Amounts falling due after more than one year	14		(56,676,110)		(56,840,110)
Provisions for liabilities			<u>(1,449,941)</u>		<u>(1,644,149)</u>
Net assets			<u>58,480,606</u>		<u>67,794,578</u>
Capital and reserves					
Called up share capital	16		8,268		8,268
Share premium			39,490		39,490
Capital redemption reserve			476		476
Retained earnings			<u>55,464,501</u>		<u>64,147,809</u>
Shareholders' funds			<u>55,512,735</u>		<u>64,196,043</u>
Non-controlling interests			<u>2,967,871</u>		<u>3,598,535</u>
Total equity			<u>58,480,606</u>		<u>67,794,578</u>

The financial statements have been prepared 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 19 October 2023 and were signed on its behalf by:

M J Crader - Director

Company Balance Sheet
31 March 2023

			2023		2022
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		-		-
Tangible assets	8		1,279,979		1,550,011
Investments	9		3,852,730		4,277,008
Investment property	10		250,000		17,725,888
			<u>5,382,709</u>		<u>23,552,907</u>
Current assets					
Debtors	11	14,650,486		8,297,427	
Investments	12	726,266		1,663,199	
Cash at bank		<u>5,877,114</u>		<u>103,246</u>	
		21,253,866		10,063,872	
Creditors					
Amounts falling due within one year	13	<u>12,047,140</u>		<u>1,638,901</u>	
Net current assets			<u>9,206,726</u>		<u>8,424,971</u>
Total assets less current liabilities			<u>14,589,435</u>		<u>31,977,878</u>
Creditors					
Amounts falling due after more than one year	14		(2,351,952)		(13,247,389)
Provisions for liabilities			-		(757,398)
Net assets			<u>12,237,483</u>		<u>17,973,091</u>
Capital and reserves					
Called up share capital	16		8,268		8,268
Share premium			39,490		39,490
Capital redemption reserve			476		476
Retained earnings			<u>12,189,249</u>		<u>17,924,857</u>
Shareholders' funds			<u>12,237,483</u>		<u>17,973,091</u>
Company's (loss)/profit for the financial year			<u>(5,695,368)</u>		<u>4,796,691</u>

The financial statements were approved by the Board of Directors and authorised for issue on 19 October 2023 and were signed on its behalf by:

M J Crader - Director

Notes to the Consolidated Financial Statements
for the year ended 31 March 2023

1. **Statutory information**

Grainmarket Properties Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are prepared in Pound Sterling (£), which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Basis of consolidation

In the Parent Company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Grainmarket Properties Limited and all of its subsidiaries (ie entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence, are treated as associates. In the Group financial statements, associates are accounted for using the equity method.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

2. Accounting policies - continued

Related party exemption

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(a) Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

(i) Valuation of investment property

The fair value of the investment property has been arrived at on the basis of a professional valuation. The valuers, Knight Frank, are professionally qualified members of RICS. Fair value is determined by an appraisal of market value based on evidence such as tenure and tenancy details, prevailing market yields and comparable market transactions.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and sales related taxes. The fair value of consideration takes into account trade discounts, settlements discounts and volume rebates.

Turnover represents rent receivable and expenses recharged to tenants, dilapidations receivable, sales of residential development properties and insurance claims in the ordinary course of business.

Rentals received under operating leases are recognised as income on a straight line basis over the course of the lease.

Expenses recoverable from tenants are recognised as income on a straight line basis over the period which they relate to.

Turnover is recognised in respect of the sale of development properties at the date of completion.

Dilapidations receivable are insurance claims and are recognised as turnover when the amounts have been agreed with the tenant and it is probable the amounts will be settled at the agreed amount.

Boat charter fees are recognised as income on a straight line basis over the course of the charter period.

Interest income

Interest income is recognised in the Income Statement using the effective interest rate method.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business has been fully amortised in the current year.

Goodwill has been impaired in the current year, due to the investment no longer being recoverable.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

2. **Accounting policies - continued**

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	5%/15%/25% reducing balance
Fixtures and fittings	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income Statement.

Investments in associates

Investments in associate undertakings are recognised at cost.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured 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 the Income Statement.

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and position.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess carrying amount over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the Income Statement. Reversals of impairment are also recognised in the Income Statement.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments'.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

2. Accounting policies - continued

Classification of financial assets

(i) 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.

(ii) Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Consolidated Income Statement, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

(iii) Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 the Consolidated Income Statement.

If there is a 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 the Consolidated Income Statement.

(iv) Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of:

- ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 Group after deducting all of its liabilities.

(v) 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.

(vi) Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

2. Accounting policies - continued

Hire purchase and leasing commitments

Rentals paid under operating leases, including any lease incentives received are charged to the Consolidated Income Statement on a straight line basis over the period of the lease, except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 employees' services are received.

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

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the Parent Company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the Income Statement, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the Company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the Parent Company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

2. Accounting policies - continued**Impairment of fixed assets**

At each reporting period end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Income Statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Equity instruments

Equity instruments issued by the Group 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 Group.

Going concern

The financial statements have been prepared on a going concern basis.

The directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment, particular at the group level.

The directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios alongside the measures that could affect operational activity. The assets are Group's assessed each year for recoverability, and the directors consider that the Group is not exposed to loss on these assets. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

The directors therefore have an expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

3. Employees and directors

The average number of employees during the year was 11 (2022 - 8) .

4. Exceptional items

	2023	2022
	£	£
Gain on acquisition and disposal of subsidiaries	-	3,734,258
Amounts written off investment	-	(87,650)
	<u>-</u>	<u>3,646,608</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

5. (Loss)/profit before taxation

The loss (2022 - profit) is stated after charging:

	2023 £	2022 £
Depreciation - owned assets	292,561	374,508
Development costs amortisation	<u>63,480</u>	<u>85,097</u>

6. Individual income statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these financial statements.

7. Intangible fixed assets

Group

	Development costs £
Cost	
At 1 April 2022	
and 31 March 2023	<u>634,781</u>
Amortisation	
At 1 April 2022	151,461
Amortisation for year	<u>63,480</u>
At 31 March 2023	<u>214,941</u>
Net book value	
At 31 March 2023	<u>419,840</u>
At 31 March 2022	<u>483,320</u>

8. Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Totals £
Cost			
At 1 April 2022			
and 31 March 2023	<u>3,178,060</u>	<u>441,232</u>	<u>3,619,292</u>
Depreciation			
At 1 April 2022	1,655,520	263,565	1,919,085
Charge for year	<u>270,032</u>	<u>22,529</u>	<u>292,561</u>
At 31 March 2023	<u>1,925,552</u>	<u>286,094</u>	<u>2,211,646</u>
Net book value			
At 31 March 2023	<u>1,252,508</u>	<u>155,138</u>	<u>1,407,646</u>
At 31 March 2022	<u>1,522,540</u>	<u>177,667</u>	<u>1,700,207</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

8. Tangible fixed assets - continued

Company

	Plant and machinery £
Cost	
At 1 April 2022	
and 31 March 2023	3,178,060
Depreciation	
At 1 April 2022	1,628,049
Charge for year	270,032
At 31 March 2023	1,898,081
Net book value	
At 31 March 2023	1,279,979
At 31 March 2022	1,550,011

9. Fixed asset investments

Group

	Interest in associate £	Other investments £	Totals £
Cost			
At 1 April 2022	118,108	306,860	424,968
Additions	17,685	-	17,685
Share of profit/(loss)	-	(284,281)	(284,281)
Impairments	(118,108)	(21,889)	(139,997)
At 31 March 2023	17,685	690	18,375
Net book value			
At 31 March 2023	17,685	690	18,375
At 31 March 2022	118,108	306,860	424,968

	Shares in group undertakings £	Interest in associate £	Unlisted investments £	Totals £
Cost				
At 1 April 2022	3,852,040	118,108	306,860	4,277,008
Share of profit/(loss)	-	-	(284,281)	(284,281)
Impairments	-	(118,108)	(21,889)	(139,997)
At 31 March 2023	3,852,040	-	690	3,852,730
Net book value				
At 31 March 2023	3,852,040	-	690	3,852,730
At 31 March 2022	3,852,040	118,108	306,860	4,277,008

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

9. Fixed asset investments - continued

The Group or the Company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**GPL (Holdings) 2014 Limited**

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Zomom Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

GPL 2014 Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Property development

Class of shares:	%
Ordinary	holding 100.00

Zeena Ventures Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Property development

Class of shares:	%
Ordinary	holding 97.12

Jextor Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 97.12

Bromley JV LP

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Property development

Class of shares:	%
Ordinary	holding 63.00

Shoebill Real Estate Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 100.00

Shoebill Real Estate Bromley Nominee Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

9. Fixed asset investments - continued

Shoebill Real Estate Elstree GP Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary	100.00

Shoebill Real Estate Farnborough GP Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary	100.00

Shoebill Real Estate High Wycombe GP Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary	100.00

Plymouth Investments Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary	100.00

Shoebill Limited Partner Real Estate Limited

Registered office: 1 Gracechurch Street, London, EC3V 0DD

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary	100.00

Bluecoats JV LP was dissolved on 12 January 2023.

Associated companies**Squirrel Property Holdings Limited**

Registered office: 5-9 Main Street, Gibraltar, GX11 1AA

Nature of business: Property Investment

	%
Class of shares:	holding
Ordinary	25.00

Bromley Archway Investments Limited

Registered office: 80 Bennett Salterton Road, Islington, London, N7 6BD

Nature of business: Other letting and operating property

	%
Class of shares:	holding
Ordinary	21.85

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

10. Investment property

Group

	Total £
Fair value	
At 1 April 2022	114,550,692
Disposals	(1,225,888)
Revaluations	(7,042,470)
At 31 March 2023	<u>106,282,334</u>
Net book value	
At 31 March 2023	<u>106,282,334</u>
At 31 March 2022	<u>114,550,692</u>

Fair value at 31 March 2023 is represented by:

	£
Valuation in 2019	21,778,459
Valuation in 2020	7,713,506
Valuation in 2021	(1,109,503)
Valuation in 2022	7,982,189
Valuation in 2023	(7,042,470)
Cost	76,960,153
	<u>106,282,334</u>

The fair value of the investment property has been arrived at on the basis of a professional valuation. The valuers, Knight Frank, are professionally qualified members of RICS. Fair value is determined by an appraisal of market value based on evidence such as tenure and tenancy details, prevailing market yields and comparable market transactions.

Company

	Total £
Fair value	
At 1 April 2022	17,725,888
Disposals	(175,888)
Transfer to ownership	(17,300,000)
At 31 March 2023	<u>250,000</u>
Net book value	
At 31 March 2023	<u>250,000</u>
At 31 March 2022	<u>17,725,888</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

10. Investment property - continued

Company

This valuation has been undertaken in accordance with the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement.

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

			2023	2022
	£	£		
Cost			250,000	14,294,476
Accumulated depreciation			Nil	(313,384)
Carrying amount			<u>250,000</u>	<u>13,981,092</u>

11. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	240,837	447,103	-	1,157
Amounts owed by group undertakings	-	-	12,438,688	1,065,099
Other debtors	1,140,763	2,529,176	1,977,481	3,167,104
Tax	54,377	-	-	-
Prepayments and accrued income	722,450	11,353,444	234,317	182,022
	<u>2,158,427</u>	<u>14,329,723</u>	<u>14,650,486</u>	<u>4,415,382</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	-	3,882,045
Other debtors	135,141	174,726	-	-
	<u>135,141</u>	<u>174,726</u>	<u>-</u>	<u>3,882,045</u>
Aggregate amounts	<u>2,293,568</u>	<u>14,504,449</u>	<u>14,650,486</u>	<u>8,297,427</u>

12. Current asset investments

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Listed investments	<u>726,266</u>	<u>1,663,199</u>	<u>726,266</u>	<u>1,663,199</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

13. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	-	5,425,000	-	-
Trade creditors	251,667	456,945	149,327	130,750
Amounts owed to group undertakings	-	-	11,622,166	-
Tax	-	770,260	-	-
Social security and other taxes	12,221	4,538	12,221	4,538
VAT	221,123	341,885	31,370	115,593
Other creditors	3,060,922	4,018,547	2,840	1,168,060
Accruals and deferred income	1,706,557	1,952,056	229,216	219,960
	<u>5,252,490</u>	<u>12,969,231</u>	<u>12,047,140</u>	<u>1,638,901</u>

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans - 2-5 years	-	50,000	-	-
Bank loans more 5 yrs non-inst	54,189,019	54,189,019	-	-
Amounts owed to group undertakings	-	-	-	10,801,527
Other creditors	2,487,091	2,601,091	2,351,952	2,445,862
	<u>56,676,110</u>	<u>56,840,110</u>	<u>2,351,952</u>	<u>13,247,389</u>

Amounts falling due in more than five years:

	Group	
	2023	2022
	£	£
Repayable otherwise than by instalments		
Bank loans more 5 yrs non-inst	<u>54,189,019</u>	<u>54,189,019</u>

15. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	4,549,482	5,102,363
Between one and five years	11,090,813	12,145,535
In more than five years	26,386,433	23,485,752
	<u>42,026,728</u>	<u>40,733,650</u>

Lessor

The Company and Group leased out all its investment properties under operating leases. Property rental income earned during the year was £601,333 for the Company and £5,102,363 for the Group (2021: £601,333 for the Company and £5,060,138 for the Group). Lease terms vary depending on the property use and lease length.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2023

15. Leasing agreements - continued

Company

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	-	601,133
Between one and five years	-	2,404,532
In more than five years	-	13,599,400
	-	16,605,065

16. Called up share capital

	Group and company	
	2023	2022
Ordinary share capital	£	£
Issued and fully paid		
4,024 A Ordinary shares of £1 each	4,024	4,024
50 B Ordinary shares of £1 each	50	50
10 C Ordinary shares of £1 each	10	10
50 D Ordinary shares of £1 each	50	50
4,134 Growth shares of £1 each	4,134	4,134
	8,268	8,268

17. Related party disclosures

Grainmarket Asset Management LLP

During the year, the Group was charged management fees of £Nil (2022: £129,635) from Grainmarket Asset Management LLP, an LLP in which M J Crader was the controlling partner until December 2022. At the Balance Sheet date, the Company was owed £Nil (2022: £165,540) from Grainmarket Asset Management LLP.

Squirrel Property Holdings Limited

During the year, the Group made a loan to Squirrel Property Holdings Limited of £705,000 (2022: £1,639,792), a company in which the Parent Company is a shareholder and M J Crader is the controlling shareholder.

McDade Investments Limited

As at 31 March 2023, the Group had an outstanding receivable of £123,041 (2022: £212,332) from McDade Investments Limited, a company in which M J Crader is the controlling party.

Zeena Ventures Limited

During the year to 31 March 2023, the Parent Company received management income of £500,000 (2022: £500,000) from Zeena Ventures Limited, a company in which the Parent Company has a controlling interest.

Bromley JV Limited Partnership

During the year to 31 March 2023, the Parent Company received management income of £50,000 (2022: £50,000) from Bromley JV Limited Partnership, a Limited Partnership in which the Parent Company has a controlling interest. As at 31 March 2023, the Company was owed £1,594,908 (2022: £1,316,699).

All the above related party loan balances are repayable on demand.

18. Ultimate controlling party

The Company and Group is considered to be under the control of Abacus Pension Trustees Limited in their capacity as Trustees of MJC QNUPS, who is the majority shareholder of the Company and the Group.

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.