Company registration number 06987720 (England and Wales)

MACE DEVELOPMENTS (GREENWICH) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MACE DEVELOPMENTS (GREENWICH) LIMITED

COMPANY INFORMATION

Directors	M Reynolds	
	M J Willis	(Appointed 31 August 2022)
Secretary	C Pate	
Company number	06987720	
Registered office	155 Moorgate London EC2M 6XB	
Auditor	Glazers 843 Finchley Road London NW11 8NA	

MACE DEVELOPMENTS (GREENWICH) LIMITED

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business
The company is currently developing a site, in partnership with the Greater London Authority (GLA), known as Greenwich Square in South East London.

The development is expected to complete in 2023.

The company generated revenue of £8m (2021: £32m) and held development Work-in-Progress of £0.2m (2021: £6.8m).

Principal risks and uncertainties

Sales Risk

Our sales strategy is to target individual owner occupiers and therefore we are mindful that availability of mortgages, the large deposits required to purchase and the increase in acquisition costs continue to put pressure on would-be purchasers. In addition to this, we are aware that in certain locations and price points, there is a potential over-supply. As we expand our market share we require a scalable sales and marketing platform which is capable of absorbing a greater number of residential units than in previous years.

We have mitigated against these factors by deploying highly targeted marketing strategies, which do not depend heavily on any one particular sales channel.

The Company has developed a scalable sales and marketing platform that involves staffing our developments with in-house staff and utilising appropriate estate agents as introducers. This has increased levels of customer service, sales rates, reduced transaction times and most importantly, started to build our own database enabling us to reach out to investors and individuals who purchase multiple properties in a timely and cost effective fashion

Supply Risk

London and the South East continues to suffer from an overall undersupply of well designed, quality housing stock and therefore the demand for development sites remains extremely high. The Company intends to continue to use its extensive network of contacts to identify appropriate off-market sites and acquire them at competitive rates.

Planning Risk

As the increase in demand for sites continues, there will be an increase in the proportion of sites that are purchased without planning consents in place. The industry continues to be at the forefront of political debate and the Company will continue to monitor and prepare for any planning implications that may arise. The Company will use the expertise and experience of its executive team, senior staff and key consultant team to ensure this planning risk is mitigated at all stages of the acquisition and development.

Dependencies on Key Personnel

One of the Company's strongest assets is the experience and expertise of its key personnel. The Directors have taken steps to secure its key team members through attractive remuneration and benefits packages.

Management Controls

Effective planning and management control systems are essential to enable the Company to implement its strategy. Future growth will depend on the Company's ability to expand whilst managing operational, financial and management risk.

Cost Risk

The last two years have seen a constant rise in construction costs, driven by increasing material costs and a lack of skilled labour supply. The Company is of the view that construction inflation has peaked, however should it continue to rise, it will reduce the overall profitability of our developments. The Group continues to carry out extensive tendering processes, marketing testing and actively develop strong working relations with contractors.

Land Acquisition Risk

The ability to procure suitable land acquisitions is key to securing the long term future of the Company. All potential land acquisitions are subject to a formal approval process, require Board approval and must meet minimum return rates. The Company continues to use its extensive range of contacts throughout the industry and beyond to identify potential purchases.

Development and performance

The company continues to engage with the GLA, as a member of its Development Panel, on sites across London.

Key performance indicators

The Company does not yet have specific KPI's set in place, however senior management reviews the Company's performance by reviewing cash projections, gross profit and revenue. The reviews in the period concluded that the positive trend in revenue income and budgeted future growth was consistent with Director's expectations.

On behalf of the board

M J Willis
Director

21 July 2023

MACE DEVELOPMENTS (GREENWICH) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities
The company continued trading during the year in property development.

Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Reynolds	
R Bienfait	(Appointed 11 January 2022 and resigned 31 August 2022)
M J Willis	(Appointed 31 August 2022)

Auditor
In accordance with the company's articles, a resolution proposing that Glazers be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

M J Willis
Director

21 July 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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). 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;
- 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.

MACE DEVELOPMENTS (GREENWICH) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF MACE DEVELOPMENTS (GREENWICH) LIMITED

Opinion

We have audited the financial statements of Mace Developments (Greenwich) Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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

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.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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.

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 company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could 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, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Philippe Herszaft ACA
Senior Statutory Auditor
For and on behalf of Glazers

21 July 2023

Chartered Accountants
Statutory Auditor

843 Finchley Road
London
NW11 8NA

MACE DEVELOPMENTS (GREENWICH) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	2	8,232,380	32,203,081
Cost of sales		(5,189,580)	(31,220,730)
Gross profit		3,042,800	982,351
Administrative expenses		(1,254,504)	(948,035)
Operating profit	3	1,788,296	34,316
Investment income	5	-	91,650
Finance costs	6	-	(30,012)
Profit before taxation		1,788,296	95,954
Tax on profit	7	(359,803)	296,975
Profit for the financial year		1,428,493	392,929

The income statement has been prepared on the basis that all operations are continuing operations.

MACE DEVELOPMENTS (GREENWICH) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Current assets					
Inventories	**8**	212,155		6,752,762	
Trade and other receivables	**9**	5,175,332		1,111,544	
Cash and cash equivalents		107,498		223,753	
		5,494,985		8,088,059	
Current liabilities	**10**	(7,529,376)		(11,550,943)	
Net current liabilities			(2,034,391)		(3,462,884)
Equity					
Called up share capital	**12**		2		2
Retained earnings			(2,034,393)		(3,462,886)
Total equity			(2,034,391)		(3,462,884)

The financial statements were approved by the board of directors and authorised for issue on 21 July 2023 and are signed on its behalf by:

M J Willis
Director

Company Registration No. 06987720

MACE DEVELOPMENTS (GREENWICH) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2021	2	(3,855,815)	(3,855,813)
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	392,929	392,929
Balance at 31 December 2021	2	(3,462,886)	(3,462,884)
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	1,428,493	1,428,493
Balance at 31 December 2022	2	(2,034,393)	(2,034,391)

1 Accounting policies

Company information
Mace Developments (Greenwich) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 155 Moorgate, London, EC2M 6XB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Mace Developments (Greenwich) Limited is a wholly owned subsidiary of Mace Limited and the results of Mace Developments (Greenwich) Limited are included in the consolidated financial statements of Mace Limited which are available from Companies House.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue 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 other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1 Accounting policies **(Continued)**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Inventories

Inventories 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 inventories to their present location and condition.

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

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

1.5 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.6 Cash and cash equivalents

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

1 Accounting policies **(Continued)**

1.7 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

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 profit or loss, 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.

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 profit or loss.

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 profit or loss.

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 company 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 company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

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

Current tax

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

1 Accounting policies **(Continued)**

Deferred tax

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

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

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Revenue

An analysis of the company's revenue is as follows:

	2022	2021
	£	£
Revenue analysed by class of business		
Construction revenue	8,232,380	32,203,081

	2022	2021
	£	£
Revenue analysed by geographical market		
United Kingdom	8,232,380	32,203,081

	2022	2021
	£	£
Other revenue		
Interest income	-	91,650

3 Operating profit

	2022	2021
Operating profit for the year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	7,000

4 Employees

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

	2022 Number	2021 Number
Total	-	-

5 Investment income

	2022 £	2021 £
Interest income		
Interest receivable from group companies	-	91,650

6 Finance costs

	2022 £	2021 £
Interest payable to group undertakings	-	30,012

7 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	383,639	-
Adjustments in respect of prior periods	741	(203,412)
Group tax relief	-	19,561
Total current tax	384,380	(183,851)
Deferred tax		
Origination and reversal of timing differences	(24,577)	(113,124)
Total tax charge/(credit)	359,803	(296,975)

7 Taxation **(Continued)**

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	1,788,296	95,954
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	339,776	18,231
Tax effect of expenses that are not deductible in determining taxable profit	27,254	-
Change in unrecognised deferred tax assets	(7,968)	32,189
Adjustments in respect of prior years	741	(348,725)
Group relief	-	1,330
Taxation charge/(credit) for the year	359,803	(296,975)

8 Inventories

	2022	2021
	£	£
Work in progress	212,155	6,752,762

9 Trade and other receivables

	2022	2021
Amounts falling due within one year:	£	£
Trade receivables	-	380,663
Amounts owed by group undertakings	4,349,418	-
Other receivables	74,841	4,385
	4,424,259	385,048
Deferred tax asset (note 11)	751,073	726,496
	5,175,332	1,111,544

10 Current liabilities

	2022	2021
	£	£
Trade payables	52,507	3,875
Amounts owed to group undertakings	-	3,989,097
Corporation tax	383,639	-
Other taxation and social security	-	26,327
Other payables	-	19,561
Accruals and deferred income	7,093,230	7,512,083
	7,529,376	11,550,943

11 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2022	Assets 2021
Balances:	£	£
Corporate interest restriction	751,073	726,496

	2022
Movements in the year:	£
Asset at 1 January 2022	(726,496)
Credit to profit or loss	(24,577)
Asset at 31 December 2022	(751,073)

The deferred tax asset set out above is expected to reverse within [12 months] and relates to the utilisation of tax losses against future expected profits of the same period.

12 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	2	2	2	2

13 Events after the reporting date

No matters have arisen since the year end which have significantly affected or may significantly affect the company's operations.

14 Related party transactions

None of the key management personnel, who are also directors, received any remuneration in the current or prior year.

In accordance with FRS 102 the company does not disclose transactions with the parent company or any members of the group.

15 Ultimate controlling party

The company is a wholly owned subsidiary of Mace Limited and its ultimate parent company is Mace Finance Limited Both companies are incorporated in England and Wales. The results of the Company are included in the consolidated accounts of Mace Finance Limited whose registered office address is 155 Moorgate, London, EC2M 6XB. Group accounts are available from Companies House.