

Company registration number: 03000689

Mountcharm Limited

Filleted financial statements

31 December 2021

Mountcharm Limited

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Directors responsibilities statement

Year ended 31 December 2021

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

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

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

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

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

Mountcharm Limited

Statement of financial position

31 December 2021

		2021	2020
	Note	£	£
Fixed assets			
Tangible assets	5	4,097	5,464
Investments	6	8,830,635	9,390,635
		<u>8,834,732</u>	<u>9,396,099</u>
Current assets			
Debtors	7	36,874,294	34,439,483
Cash at bank and in hand		45,500	83,721
		<u>36,919,794</u>	<u>34,523,204</u>
Creditors: amounts falling due within one year	8	(29,564,492)	(26,061,725)
Net current assets		<u>7,355,302</u>	<u>8,461,479</u>
Total assets less current liabilities		<u>16,190,034</u>	<u>17,857,578</u>
Creditors: amounts falling due after more than one year	9	(11,250,000)	(11,750,000)
Provisions for liabilities	10	(40,960)	-
Net assets		<u>4,899,074</u>	<u>6,107,578</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		4,898,974	6,107,478
Shareholders funds		<u>4,899,074</u>	<u>6,107,578</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 30 September 2022 , and are signed on behalf of the board by:

J R Cooper

Director

Company registration number: 03000689

Mountcharm Limited**Statement of changes in equity****Year ended 31 December 2021**

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2020	100	6,625,371	6,625,471
(Loss)/profit for the year		22,107	22,107
Total comprehensive income for the year	-	22,107	22,107
Dividends paid and payable		(540,000)	(540,000)
Total investments by and distributions to owners	-	(540,000)	(540,000)
At 31 December 2020 and 1 January 2021	100	6,107,478	6,107,578
(Loss)/profit for the year		(608,504)	(608,504)
Total comprehensive income for the year	-	(608,504)	(608,504)
Dividends paid and payable		(600,000)	(600,000)
Total investments by and distributions to owners	-	(600,000)	(600,000)
At 31 December 2021	100	4,898,974	4,899,074

Mountcharm Limited

Notes to the financial statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Northside House, Mount Pleasant, Barnet, Herts EN4 9EE.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group. These financial statements present information relating to Mountcharm Limited as an individual undertaking and not as a group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for rents, net of discounts and Value Added Tax.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25 % reducing balance
Fittings fixtures and equipment	-	25 % reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Investments

Investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

With regard to investment properties, an increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 4 (2020: 4).

5. Tangible assets

	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2021 and 31 December 2021	17,085	72,505	89,590
Depreciation			
At 1 January 2021	15,435	68,692	84,127
Charge for the year	413	953	1,366
At 31 December 2021	15,848	69,645	85,493
Carrying amount			
At 31 December 2021	1,237	2,860	4,097
At 31 December 2020	1,650	3,813	5,463

6. Investments

	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 January 2021	16,805,280	9,390,335	26,195,615
Revaluations	-	(560,000)	(560,000)
At 31 December 2021	16,805,280	8,830,335	25,635,615
Impairment			
At 1 January 2021 and 31 December 2021	16,804,980	-	16,804,980
Carrying amount			
At 31 December 2021	300	8,830,335	8,830,635
At 31 December 2020	300	9,390,335	9,390,635

The property valuations were carried out after the year end by a professional valuer appointed by the company's bank with a view to a repayment of the loan facilities.

7. Debtors

	2021 £	2020 £
Trade debtors	103,375	113,099
Amounts owed by undertakings in which the company has a participating interest	29,865,497	28,976,086
Amounts owed by group undertakings and undertakings in which the company has a participating interest	6,105,817	4,507,114
Other debtors	6,902,571	5,339,947
	42,977,260	38,936,246

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	500,000	500,000
Trade creditors	1,937	206
Amounts owed to undertakings in which the company has a participating interest	14,203,503	11,642,296
Amounts owed to group undertakings and undertakings in which the company has a participating interest	14,599,648	13,649,577
Corporation tax	-	1,593
Social security and other taxes	24,292	27,266
Other creditors	235,112	240,787
	<u>29,564,492</u>	<u>26,061,725</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	11,250,000	11,750,000

The above loan is repayable in full on 16 May 2023 and carries interest at 2.50% above the lenders LIBOR. The loan is secured by a First Legal Mortgage over each of thirteen properties owned by the company and associated companies and a Composite Cross Guarantee between Mountcharm Limited and associated undertakings.

10. Provisions

	Deferred tax (note 11)	Total
	£	£
At 1 January 2021	-	-
Additions	40,960	40,960
At 31 December 2021	<u>40,960</u>	<u>40,960</u>

11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 10)	40,960	-
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The deferred tax account consists of the tax effect of timing differences in respect of:		
	2021	2020
	£	£
Accelerated capital allowances	(1,675)	-
Fair value adjustment of investment property	42,635	-
	<hr/>	<hr/>
	40,960	(-)
	<hr/>	<hr/>

Deferred tax asset on losses carried forward not provided at 25% was £14,452.

12. Post Balance Sheet events

In order to meet lending criteria with the company's bankers in light of the continued fall in value of retail property investments following the pandemic, the directors have taken the decision to dispose of properties since the balance sheet date to provide funds with which to reduce the company's borrowing facilities. The total sale of properties amounted to £5.25M.

13. Summary audit opinion

The auditor's report for the year dated 30 September 2022 was unqualified.

The senior statutory auditor was Nicholas John Godsave for and on behalf of Davis Bonley Limited

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.