

CHALDEAN PROPERTIES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

CHALDEAN PROPERTIES LIMITED
REGISTERED NUMBER: 04337960

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	73,692	92,115
Fixed asset investments	6	1	91,223
Investment property	7	20,927,643	19,765,000
		<u>21,001,336</u>	<u>19,948,338</u>
Current assets			
Stocks	8	824,639	1,622,751
Debtors: amounts falling due after more than one year	9	68,004	96,000
Debtors: amounts falling due within one year	9	3,530,655	717,740
Cash at bank and in hand	10	1,437,510	1,669,046
		<u>5,860,808</u>	<u>4,105,537</u>
Creditors: amounts falling due within one year	11	(7,782,776)	(7,996,356)
Net current liabilities		<u>(1,921,968)</u>	<u>(3,890,819)</u>
Total assets less current liabilities		<u>19,079,368</u>	<u>16,057,519</u>
Creditors: amounts falling due after more than one year	12	(6,750,836)	(5,050,836)
Provisions for liabilities			
Deferred tax	14	(233,243)	(68,818)
Other provisions	15	(850,000)	(850,000)
Net assets		<u><u>11,245,289</u></u>	<u><u>10,087,865</u></u>
Capital and reserves			
Called up share capital		240,000	240,000
Share premium account		5,775,000	5,775,000
Revaluation reserve		(582,099)	(1,570,771)
Profit and loss account		5,812,388	5,643,636
		<u><u>11,245,289</u></u>	<u><u>10,087,865</u></u>

CHALDEAN PROPERTIES LIMITED
REGISTERED NUMBER: 04337960

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr D Morrison

Director

Date: 6 July 2023

The notes on pages 4 to 14 form part of these financial statements.

CHALDEAN PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2021	240,000	5,775,000	(1,792,143)	5,390,478	9,613,335
Comprehensive income for the year					
Profit for the year	-	-	-	474,530	474,530
Other comprehensive income for the year					
	-	-	-	-	-
Total comprehensive income for the year	-	-	-	474,530	474,530
Transfer to/from profit and loss account	-	-	221,372	(221,372)	-
Total transactions with owners	-	-	221,372	(221,372)	-
At 1 January 2022	240,000	5,775,000	(1,570,771)	5,643,636	10,087,865
Comprehensive income for the year					
Profit for the year	-	-	-	1,157,424	1,157,424
Other comprehensive income for the year					
	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,157,424	1,157,424
Transfer to/from profit and loss account	-	-	988,672	(988,672)	-
Total transactions with owners	-	-	988,672	(988,672)	-
At 31 December 2022	<u>240,000</u>	<u>5,775,000</u>	<u>(582,099)</u>	<u>5,812,388</u>	<u>11,245,289</u>

The notes on pages 4 to 14 form part of these financial statements.

CHALDEAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

The Company is a private limited company by shares and is incorporated in England and Wales. The address of its Registered Office is The Old Grain Store, Bromley Lane, Much Hadham, Hertfordshire, SG10 6HU.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rental income

Revenue from rental income is recognised in accordance with the terms stipulated in the leases with tenants.

Fees received

Fees received for locating vacant land for development are recognised in accordance with the terms stipulated in the contract.

Sale of property development

Revenue from property development sales is recognised on the date of completion.

2.3 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.4 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.6 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.8 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.10 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	20%	straight line
Office equipment	-	20%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.11 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by expert valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.12 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.13 STOCKS

Stocks and work in progress are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 DEBTORS

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

2.15 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 CREDITORS

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

CHALDEAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.17 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 FINANCIAL INSTRUMENTS

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

3. TURNOVER

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Rent receivable	1,312,767	1,405,972
Income from property development	35,901	35,006
Property Sales	945,000	-
	<u>2,293,668</u>	<u>1,440,978</u>

All turnover arose within the United Kingdom.

CHALDEAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. TAXATION

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	80,049	63,556
Adjustments in respect of previous periods	(2,917)	(41,493)
Total current tax	<u>77,132</u>	<u>22,063</u>
Deferred tax		
Origination and reversal of timing differences	164,425	110,872
Total deferred tax	<u>164,425</u>	<u>110,872</u>
Taxation on profit on ordinary activities	<u><u>241,557</u></u>	<u><u>132,935</u></u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>1,398,981</u>	<u>607,465</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	265,806	115,418
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	23,006	6,507
Capital allowances for year in excess of depreciation	(2,146)	800
Adjustments to tax charge in respect of prior periods	(2,917)	(41,493)
Revaluation of investment property	(81,084)	39,531
Non-taxable income	-	(1,108)
Change in tax rate leading to an increase (decrease) in the tax charge	39,462	13,280
Group relief	(570)	-
Total tax charge for the year	<u><u>241,557</u></u>	<u><u>132,935</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

CHALDEAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. TANGIBLE FIXED ASSETS

	Motor vehicles £	Office equipment £	Total £
Cost or valuation			
At 1 January 2022	92,115	39,279	131,394
At 31 December 2022	92,115	39,279	131,394
Depreciation			
At 1 January 2022	-	39,279	39,279
Charge for the year on owned assets	18,423	-	18,423
At 31 December 2022	18,423	39,279	57,702
Net book value			
At 31 December 2022	73,692	-	73,692
At 31 December 2021	92,115	-	92,115

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2022	1	176,954	176,955
At 31 December 2022	1	176,954	176,955
Impairment			
At 1 January 2022	-	85,732	85,732
Charge for the period	-	91,222	91,222
At 31 December 2022	-	176,954	176,954
Net book value			
At 31 December 2022	1	-	1
At 31 December 2021	1	91,222	91,223

CHALDEAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 January 2022	19,765,000
Surplus on revaluation	1,162,643
At 31 December 2022	<u><u>20,927,643</u></u>

The 2022 valuations were made by the Directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2022 £	2021 £
Historic cost	<u><u>21,235,039</u></u>	<u><u>21,235,039</u></u>

CHALDEAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. STOCKS

	2022 £	2021 £
Work in progress (goods to be sold)	824,639	788,779
Finished goods and goods for resale	-	833,972
	<u>824,639</u>	<u>1,622,751</u>

9. DEBTORS

	2022 £	2021 £
Due after more than one year		
Prepayments and accrued income	<u>68,004</u>	<u>96,000</u>

	2022 £	2021 £
Due within one year		
Trade debtors	342,459	276,958
Amounts owed by group undertakings	3,071,178	-
Other debtors	57,798	369,918
Prepayments and accrued income	59,220	70,864
	<u>3,530,655</u>	<u>717,740</u>

10. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	<u>1,437,510</u>	<u>1,669,046</u>

The company holds a guarantee with the National House Building Council to the value of £20,000 (2021 - £20,000). This guarantee can be cancelled with a 30 day notice period by either party.

CHALDEAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	41,696	60,157
Corporation tax	80,049	63,556
Other taxation and social security	98,039	92,886
Other creditors	7,253,906	7,480,378
Accruals and deferred income	309,086	299,379
	<u>7,782,776</u>	<u>7,996,356</u>

12. CREDITORS: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	<u>6,750,836</u>	<u>5,050,836</u>

Secured loans

The bank loans amounting to £6,750,836 (2021 - £5,050,836) are secured over all the investment properties to which they relate, as well as personal guarantees from D Morrison and G Morrison.

13. LOANS

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due 2 - 5 years		
Bank loans	<u>6,750,836</u>	<u>5,050,836</u>

CHALDEAN PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. DEFERRED TAXATION

	2022 £	2021 £
At beginning of year	(68,818)	42,054
Utilised in year	(164,425)	(110,872)
At end of year	<u>(233,243)</u>	<u>(68,818)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	28,654	31,913
Revaluation of investment property	(261,897)	(100,731)
	<u>(233,243)</u>	<u>(68,818)</u>

15. PROVISIONS

	Other provision £
At 1 January 2022	850,000
At 31 December 2022	<u>850,000</u>

Other provisions relate to the estimated liability arising from a loan guarantee provided to Mr G Morrison.

16. PENSION COMMITMENTS

The company made pension contributions in the year of £19,119 (2021 - £19,171) into employees' personal pension plans.

17. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 12 July 2023 by Darren Amott (Senior Statutory Auditor) on behalf of Price Bailey LLP.

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.