

CHASE (SW) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 DECEMBER 2020

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £	31 May 2020 £
Current assets			
Stocks	5	5,100,000	8,018,583
Debtors: amounts falling due within one year	6	165,784	256,894
Cash at bank and in hand	7	4,966	3,348
		<u>5,270,750</u>	<u>8,278,825</u>
Creditors: amounts falling due within one year	8	(6,359,262)	(6,216,060)
Net current (liabilities)/assets		<u>(1,088,512)</u>	<u>2,062,765</u>
Total assets less current liabilities		<u>(1,088,512)</u>	<u>2,062,765</u>
Creditors: amounts falling due after more than one year	9	(2,955,323)	(2,817,456)
Net liabilities		<u>(4,043,835)</u>	<u>(754,691)</u>
Capital and reserves			
Called up share capital		10,100	10,100
Profit and loss account		(4,053,935)	(764,791)
		<u>(4,043,835)</u>	<u>(754,691)</u>

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

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:

G J Barton

Director

Date: 31 May 2022

The notes on pages 2 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

1. General information

Chase (SW) Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Jasmine House, 8 Parkway, Welwyn Garden City, Hertfordshire, AL8 6HG.

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 financial statements are for the seven-month period 1 June 2020 to 31 December 2020. The period end was changed to 31 December 2020 in order to align the date with other group companies. The corresponding figures to 31 May 2020 are for the twelve-month period from 1 June 2019 and are not entirely comparable.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The financial statements have been prepared in £ sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

The company had net liabilities of £4,043,835 (31 May 2020: £754,691) at the balance sheet date. The financial statements have been prepared on a going concern basis as the ultimate parent company, Wilson Properties (London) Ltd, has indicated its willingness and ability to support the company for at least 12 months from the date of approval of the financial statements.

Following the COVID-19 pandemic, the directors have considered the annual budget, future cash flow forecasts and other relevant information in forming their assessment of the going concern assumption.

The COVID-19 pandemic and the ensuing economic shutdown has not had a significant impact on the company's operations. In response to the COVID-19 pandemic, the directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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 period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Taxation

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.

2.7 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.

2.8 Stocks

Property developments in progress are valued at the lower of cost and estimated net realisable value and are included in current assets. Cost includes any legal fees relating to the completion of the purchase. Sales of development properties are recognised at the date of completion.

Where market conditions are such that a decision is undertaken to hold properties temporarily and to mitigate the cost of holding the property through lettings, such properties are retained as stock as long as the letting is considered merely incidental to the property trading and development activities.

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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Financial instruments

The Company only enters into basic financial instrument 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 (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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 FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

3. Employees

The average monthly number of employees, including directors, during the period was 5 (2020 - 5).

4. Exceptional items

	7 months ended 31 December 2020 £	12 months ended 31 May 2020 £
Impairment of stock	3,102,429	-
	<u>3,102,429</u>	<u>-</u>

The directors obtained an independent third party valuation on the property under construction (note 5). The asset was valued at £5,100,000 and the carrying amount prior to the valuation was £8,202,429. The directors therefore have recognised an impairment in the period of £3,102,429.

5. Stocks (Properties under construction)

	31 December 2020 £	31 May 2020 £
Work in progress	5,100,000	8,018,583
	<u>5,100,000</u>	<u>8,018,583</u>

6. Debtors

	31 December 2020 £	31 May 2020 £
Trade debtors	584	584
Amounts owed by group undertakings	165,000	255,000
Other debtors	200	1,310
	<u>165,784</u>	<u>256,894</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

7. Cash and cash equivalents

	31 December 2020 £	31 May 2020 £
Cash at bank and in hand	4,966	3,348
	<u>4,966</u>	<u>3,348</u>

8. Creditors: Amounts falling due within one year

	31 December 2020 £	31 May 2020 £
Trade creditors	-	3,360
Amounts owed to group undertakings	5,650,451	5,583,367
Other creditors	700,811	626,533
Accruals and deferred income	8,000	2,800
	<u>6,359,262</u>	<u>6,216,060</u>

Amounts owed to group undertakings included a loan of £3,900,451 (31 May 2020: £3,833,367) secured over the property, (held in stock), to which it relates. The loan is due for repayment on demand and bears a minimum interest rate of 3% (31 May 2020: 3%) per annum.

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

	31 December 2020 £	31 May 2020 £
Other loans	2,955,323	2,817,456
	<u>2,955,323</u>	<u>2,817,456</u>

Other loans of £2,027,545 (31 May 2020: £1,913,118) are from a company in which the directors have an interest, secured over the property, (held in stock), to which they relate. The loan is due for repayment greater than 12 months from the balance sheet date and bears a minimum interest rate of 10% (31 May 2020: 10%) per annum.

Other loans of £927,778 (31 May 2020: £904,338) are interest free and are not secured, (note 11).

**NOTES TO THE FINANCIAL STATEMENTS
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10. Loans

Analysis of the maturity of loans is given below:

	31 December 2020 £	31 May 2020 £
Amounts falling due 1-2 years		
Other loans	2,027,545	1,913,118
Amounts falling due 2-5 years		
Other loans	927,778	904,338
	<u>2,955,323</u>	<u>2,817,456</u>

11. Transactions with directors

During the period to 31 December 2020 certain directors had made additional loans to the company of £11,720. The loans are unsecured, interest free and repayable in accordance with the underlying agreement. The balance outstanding at 31 December 2020 was £927,778 (31 May 2020: £904,338).

12. Related party transactions

In accordance with FRS 102 1AC.35, as a wholly owned subsidiary of Wilson Properties (London) Ltd, the company is exempt from the requirements to disclose transactions with other wholly members of the group.

As a result of property transactions in the period, at 31 December 2020, other creditors included £700,811 (31 May 2020: £626,533) due to related companies under common ownership of the shareholders. These amounts are due in the normal course of business.

13. Post balance sheet events

Since the balance sheet date, the company refinanced the other loan (due greater than one year) amounting to £2,027,545 (31 May 2020: £1,913,118) (note 9) in full. The loan is due for repayment on 30 November 2022 and bears a minimum interest rate of 10%.

14. Parent company and ultimate parent company

Chase (SW) Limited is a wholly owned subsidiary of Chase Capital Land Acquisitions Limited. The parent of the smallest and largest group for which consolidated financial statements are drawn up is Wilson Properties (London) Ltd, the ultimate parent undertaking and controlling party. The registered office of which is 8 Parkway, Welwyn Garden City, Hertfordshire, England, AL8 6HG.

NOTES TO THE FINANCIAL STATEMENTS
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15. Auditors' information

The auditors' report on the financial statements for the period ended 31 December 2020 was unqualified.

The audit report was signed on 31 May 2022 by Brendan Sharkey, FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.

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.