Company registration number 01067607 (England and Wales)

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

COMPANY INFORMATION

Directors	P L Murphy	
	M Slane	
	J G Murphy	(Appointed 7 September 2023)
	M S M Murphy	(Appointed 7 September 2023)
Secretary	P Williams	
Company number	01067607	
Registered office	Winston House Dollis Park London United Kingdom N3 1HF	
Auditor	Elliotts Shah 4th Floor 167 Fleet Street London EC4A 2EA	

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

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CAVENDISH & GLOUCESTER PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Review of the business
During the year, the construction work on a number of the Group's property developments was completed and marketed for sale. Sales of the regulated tenant property portfolio also completed in the year.

Principal risks and uncertainties
As with many businesses in our sector and of our size, the business environment in which we operate continues to be challenging and influenced mainly by credit restrictions and high interest rates impacting on financing of our developments and on the ability of buyers to finance purchases of property.

Key performance indicators
Turnover - £17,105,874 (2022: £4,730,730)
Loss before tax - £1,439,973 (2022: £2,713,051)
Loss after tax - £1,970,749 (2022: £1,980,051)

On behalf of the board

M Slane
Director

14 August 2024

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities
The principal activity of the company and group continued to be that of property development, dealing and investment, and the provision of property management services.

Results and dividends
The results for the year are set out on page 8.

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

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

P L Murphy	
M Slane	
J G Murphy	(Appointed 7 September 2023)
M S M Murphy	(Appointed 7 September 2023)

Statement of directors' responsibilities
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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company 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 auditor of the company is aware of that information.

Medium-sized companies exemption
This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

M Slane
Director

14 August 2024

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAVENDISH & GLOUCESTER PROPERTIES LIMITED

Opinion

We have audited the financial statements of Cavendish & Gloucester Properties Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant 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 group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent 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.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the real estate sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and employment legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- reading the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Manoj Haria (Senior Statutory Auditor)
For and on behalf of Elliotts Shah

15 August 2024

Chartered Accountants
Statutory Auditor

4th Floor
167 Fleet Street
London
EC4A 2EA

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	**3**	17,105,874	4,730,730
Cost of sales		(14,657,197)	(5,459,982)
Gross profit/(loss)		2,448,677	(729,252)
Property and selling costs		(824,740)	(472,319)
Administrative expenses		(2,374,208)	(1,317,748)
Other operating income		308,585	579,229
Profit on disposal of investment properties	**4**	4,496	-
Operating loss	**5**	(437,190)	(1,940,090)
Interest receivable and similar income	**8**	9,518	-
Interest payable and similar expenses	**9**	(1,012,301)	(772,961)
Loss before taxation		(1,439,973)	(2,713,051)
Tax on loss	**10**	(530,776)	733,000
Loss for the financial year	**26**	(1,970,749)	(1,980,051)

Loss for the financial year is all attributable to the owners of the parent company.
Total comprehensive income for the year is all attributable to the owners of the parent company.

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Goodwill	**12**		4,025		6,241
Tangible assets	**13**		42,071		44,419
Investment property	**14**		731,561		3,027,000
			777,657		3,077,660
Current assets					
Stocks	**16**	20,608,069		32,060,237	
Debtors	**17**	2,198,303		2,896,375	
Cash at bank and in hand		1,506,702		1,415,565	
		24,313,074		36,372,177	
Creditors: amounts falling due within one year	**18**	(9,416,345)		(16,663,631)	
Net current assets			14,896,729		19,708,546
Total assets less current liabilities			15,674,386		22,786,206
Creditors: amounts falling due after more than one year	**19**		(2,766,227)		(7,531,798)
Provisions for liabilities					
Deferred tax liability	**21**	63,500		439,000	
			(63,500)		(439,000)
Net assets			12,844,659		14,815,408
Capital and reserves					
Called up share capital	**23**		2,184,379		2,184,379
Share premium account	**24**		831,495		831,495
Capital reserves	**25**		489,227		489,227
Profit and loss reserves	**26**		9,339,558		11,310,307
Total equity			12,844,659		14,815,408

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 14 August 2024 and are signed on its behalf by:

M Slane
Director

Company registration number 01067607 (England and Wales)

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	**13**		1,231		1,368
Investments	**15**		4,703,941		4,696,335
			4,705,172		4,697,703
Current assets					
Stocks	**16**	20,758,262		32,409,652	
Debtors	**17**	2,365,668		2,502,849	
Cash at bank and in hand		790,198		1,100,481	
		23,914,128		36,012,982	
Creditors: amounts falling due within one year	**18**	(16,248,462)		(21,350,323)	
Net current assets			7,665,666		14,662,659
Total assets less current liabilities			12,370,838		19,360,362
Creditors: amounts falling due after more than one year	**19**		(2,766,227)		(7,531,798)
Net assets			9,604,611		11,828,564
Capital and reserves					
Called up share capital	**23**		2,184,379		2,184,379
Share premium account	**24**		831,495		831,495
Capital reserves	**25**		1,109		1,109
Profit and loss reserves	**26**		6,587,628		8,811,581
Total equity			9,604,611		11,828,564

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,223,953 (2022 - £926,116 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 14 August 2024 and are signed on its behalf by:

M Slane
Director

Company registration number 01067607 (England and Wales)

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £	Share premium account £	Capital reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2022		2,184,379	831,495	489,227	14,340,358	17,845,459
Year ended 31 December 2022:						
Loss and total comprehensive income		-	-	-	(1,980,051)	(1,980,051)
Dividends	11	-	-	-	(1,050,000)	(1,050,000)
Balance at 31 December 2022		2,184,379	831,495	489,227	11,310,307	14,815,408
Year ended 31 December 2023:						
Loss and total comprehensive income		-	-	-	(1,970,749)	(1,970,749)
Balance at 31 December 2023		2,184,379	831,495	489,227	9,339,558	12,844,659

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £	Share premium account £	Capital reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2022		2,184,379	831,495	1,109	8,935,465	11,952,448
Year ended 31 December 2022:						
Profit and total comprehensive income for the year		-	-	-	926,116	926,116
Dividends	11	-	-	-	(1,050,000)	(1,050,000)
Balance at 31 December 2022		2,184,379	831,495	1,109	8,811,581	11,828,564
Year ended 31 December 2023:						
Profit and total comprehensive income		-	-	-	(2,223,953)	(2,223,953)
Balance at 31 December 2023		2,184,379	831,495	1,109	6,587,628	9,604,611

CAVENDISH & GLOUCESTER PROPERTIES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**28**		7,463,625		(3,014,786)
Interest paid			(1,036,895)		(707,363)
Income taxes refunded / (paid)			21,724		(415,906)
Net cash inflow/(outflow) from operating activities			6,448,454		(4,138,055)
Investing activities					
Purchase of tangible fixed assets		(16,100)		-	
Proceeds from disposal of tangible fixed assets		5,500		-	
Purchase of investment property		(7,500)		-	
Proceeds from disposal of investment property		2,217,996		-	
Interest received		1,064		-	
Net cash generated from/(used in) investing activities			2,200,960		-
Financing activities					
Proceeds from borrowings		3,664		7,270,131	
Repayment of borrowings		(8,563,629)		(2,829,094)	
Dividends paid to equity shareholders		-		(1,050,000)	
Net cash (used in)/generated from financing activities			(8,559,965)		3,391,037
Net increase/(decrease) in cash and cash equivalents			89,449		(747,018)
Cash and cash equivalents at beginning of year			1,415,565		2,162,583
Cash and cash equivalents at end of year			1,505,014		1,415,565
Relating to:					
Cash at bank and in hand			1,506,702		1,415,565
Bank overdrafts included in creditors payable within one year			(1,688)		-

1 Accounting policies

Company information

Cavendish & Gloucester Properties Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Winston House, Dollis Park, London, N3 1HF.

The group consists of Cavendish & Gloucester Properties Limited and all of its subsidiaries.

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 investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

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

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Cavendish & Gloucester Properties Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

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

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

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1 Accounting policies **(Continued)**

Joint property projects

The group is involved in various joint property project developments. The nature of these joint property projects is such that the group controls the day to day operations with a share of profits or losses attributable to third party participants. Accordingly, the group has consolidated the results of these joint property projects as if they were a normal part of its own trading. The share of profits or losses attributable to joint property participants has been shown as part of cost of sales.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sales of properties held as trading stock, fees receivable for construction services and property management, rents and other amounts receivable from investment properties, and insurance commissions receivable, all in respect of amounts relating to the year, net of discounts and VAT. Sales of properties are recognised on the basis of unconditional contracts exchanged in the year.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years from the end of the year of acquisition.

1.7 Tangible fixed assets

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

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

Fixtures and fittings	10& on reducing balance
Computers	Straight line over 3 years
Motor vehicles	25% on reducing balance

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

1.8 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1 Accounting policies **(Continued)**

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises acquisition costs, materials and construction costs, where applicable, any any other direct costs incurred to get the property to build complete before sale. Purchases of property are recognised on the basis of unconditional contracts exchanged in the year.

1.11 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.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

1 Accounting policies **(Continued)**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 group's contractual obligations expire or are discharged or cancelled.

1.13 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 profit and loss account 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 group'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 profit and loss account, 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 if, and only if, there is 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.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.15 Retirement benefits

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

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 **Judgements and key sources of estimation uncertainty** **(Continued)**

Key sources of estimation uncertainty

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

Closing stock

Where the group has properties under development, the directors need to estimate future costs to complete each development and forecast sales values in order to arrive at the cost of sales and closing stock amounts to reflect in the accounts.

Investment property valuations

Investment properties are stated at fair value as determined by the directors who are experienced in real estate and have good knowledge of the location and types of property owned. The valuations reflect observable prices, if available, condition of the properties, and likely income from the assets.

3 **Turnover and other revenue**

	2023	2022
	£	£
Turnover analysed by class of business		
Property sales	16,914,694	4,436,118
Rents receivable from investment properties	64,020	107,348
Fees for construction services	55,000	-
Insurance commissions receivable	50,652	35,398
Property management fees	11,457	141,866
Lease extension fees	10,051	10,000
	17,105,874	4,730,730

	2023	2022
	£	£
Other revenue		
Interest income	9,518	-

4 **Exceptional item**

	2023	2022
	£	£
Expenditure		
Profit on sale of investment properties	(4,496)	-
	(4,496)	-

5 Operating loss

	2023	2022
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the group's auditor for the audit of the group's financial statements	15,000	16,000
Depreciation of owned tangible fixed assets	8,326	11,231
Loss on disposal of tangible fixed assets	4,622	-
Amortisation of intangible assets	2,216	2,216

6 Employees

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

	Group		Company	
	2023	2022	2023	2022
	Number	Number	Number	Number
Sales and marketing	1	1	1	1
Office and management	10	9	10	9
Total	11	10	11	10

Their aggregate remuneration comprised:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	638,435	658,771	638,435	658,773
Social security costs	101,030	87,284	101,030	87,284
Pension costs	10,269	11,109	10,269	11,109
	749,734	757,164	749,734	757,166

7 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	194,233	189,583

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Other interest income	9,518	-

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	994,095	755,396
Other interest on financial liabilities	17,583	17,134
	1,011,678	772,530
Other finance costs:		
Other interest	623	431
Total finance costs	1,012,301	772,961

10 Taxation

	2023	2022
	£	£
Current tax		
Adjustments in respect of prior periods	(21,724)	-
Deferred tax		
Origination and reversal of timing differences	552,500	(733,000)
Total tax charge/(credit)	530,776	(733,000)

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

	2023	2022
	£	£
Loss before taxation	(1,439,973)	(2,713,051)
Expected tax credit based on the standard rate of corporation tax in the UK of 23.50% (2022: 19.00%)	(338,394)	(515,480)
Tax effect of expenses that are not deductible in determining taxable profit	180,299	1,890
Tax effect of utilisation of tax losses not previously recognised	(302,857)	-
Unutilised tax losses carried forward	-	512,323
Adjustments in respect of prior years	(21,724)	-
Permanent capital allowances in excess of depreciation	(985)	1,267
Effect of revaluations of investments	21,018	-
Other permanent differences	(1,156)	-
Deferred tax	552,500	(733,000)
Chargeable gains	442,075	-
Taxation charge/(credit)	530,776	(733,000)

11 Dividends

	2023	2022
Recognised as distributions to equity holders:	£	£
Interim paid	-	1,050,000

12 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2023 and 31 December 2023	11,079
Amortisation and impairment	
At 1 January 2023	4,838
Amortisation charged for the year	2,216
At 31 December 2023	7,054
Carrying amount	
At 31 December 2023	4,025
At 31 December 2022	6,241

The company had no intangible fixed assets at 31 December 2023 or 31 December 2022.

13 Tangible fixed assets

Group	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2023	139,566	38,410	68,990	246,966
Additions	-	9,350	6,750	16,100
Disposals	-	-	(31,990)	(31,990)
At 31 December 2023	139,566	47,760	43,750	231,076
Depreciation and impairment				
At 1 January 2023	123,480	38,410	40,657	202,547
Depreciation charged in the year	1,609	1,039	5,678	8,326
Eliminated in respect of disposals	-	-	(21,868)	(21,868)
At 31 December 2023	125,089	39,449	24,467	189,005
Carrying amount				
At 31 December 2023	14,477	8,311	19,283	42,071
At 31 December 2022	16,086	-	28,333	44,419

13 Tangible fixed assets (Continued)

Company	Fixtures and fittings £
Cost	
At 1 January 2023 and 31 December 2023	55,573
Depreciation and impairment	
At 1 January 2023	54,205
Depreciation charged in the year	137
At 31 December 2023	54,342
Carrying amount	
At 31 December 2023	1,231
At 31 December 2022	1,368

14 Investment property

	Group 2023 £	Company 2023 £
Fair value		
At 1 January 2023 and 31 December 2023	3,027,000	-
Additions through external acquisition	7,500	-
Disposals	(2,213,500)	-
Net gains or losses through fair value adjustments	(89,439)	-
At 31 December 2023	731,561	-

The investment properties have been stated at directors' valuation. The historical cost of the investment properties is £506,215 (2022: £740,692).

15 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries		-	-	4,703,941	4,696,335

15 Fixed asset investments **(Continued)**

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2023 and 31 December 2023	5,365,587
Impairment	
At 1 January 2023	669,252
Impairment losses	6,899
Impairment written back	(14,505)
At 31 December 2023	661,646
Carrying amount	
At 31 December 2023	4,703,941
At 31 December 2022	4,696,335

15 Fixed asset investments **(Continued)**

Cavendish & Gloucester Properties Limited holds the following direct and indirect interests in equity capital (all 100% owned) of the undertakings indicated below:

Name of company	Country of registration	Holdings
Trading companies		
Covemile Limited	England	Ordinary shares
Halterstone Limited	England	Ordinary shares
Happy Homes M25 Limited	England	Ordinary shares
M25 Investments Limited	England	Ordinary shares
Roundpoll Limited (with some investment activity)	England	Ordinary shares
Roundpoll Insurance Services Limited	England	Ordinary shares
Wadestock Limited	England	Ordinary shares
Investment or holding companies		
Dawnstar Properties Limited	England	Ordinary shares
Herbgrove Limited	England	Ordinary shares
Invicta Holdings Limited	England	Ordinary shares
M25 Holdings Limited	England	Ordinary shares
M25 Estates Limited	England	Ordinary shares
Dormant or nominee companies		
Albemarle Chambers (Scarborough)	England	Ordinary shares
Canaryridge Limited	England	Ordinary shares
C&G Properties Limited	England	Ordinary shares
Condo Properties Limited	England	Ordinary shares
Desarex Properties Limited	England	Ordinary shares
Fairmist Homes Limited	England	Ordinary shares
Gardenstate Properties Limited	England	Ordinary shares
Knightspur Properties Limited	England	Ordinary shares
Knightspur Homes Limited	England	Ordinary shares
Totteridge Common Limited	England	Ordinary shares

16 Stocks

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Stock of properties	20,608,069	32,060,237	20,758,262	32,409,652

17 Debtors

	Group		Company	
	2023	2022	2023	2022
Amounts falling due within one year:	£	£	£	£
Trade debtors	234,497	221,314	120,444	135,120
Corporation tax recoverable	50	48	-	-
Amounts owed by group undertakings	-	-	299,514	376,046
Other debtors	722,066	769,898	722,048	771,307
Prepayments and accrued income	1,241,690	977,115	1,223,662	292,376
	2,198,303	1,968,375	2,365,668	1,574,849
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	-	928,000	-	928,000
Total debtors	2,198,303	2,896,375	2,365,668	2,502,849

18 Creditors: amounts falling due within one year

		Group		Company	
		2023	2022	2023	2022
	Notes	£	£	£	£
Bank loans and overdrafts	20	5,740,954	9,733,660	5,740,954	9,733,660
Other borrowings	20	200,000	-	200,000	-
Trade creditors		411,181	1,105,636	370,704	1,084,591
Amounts owed to group undertakings		-	-	6,320,348	4,784,532
Other taxation and social security		93,022	1,900	88,873	-
Other creditors		2,821,532	4,993,785	2,807,697	4,968,758
Accruals and deferred income		149,656	828,650	719,886	778,782
		9,416,345	16,663,631	16,248,462	21,350,323

19 Creditors: amounts falling due after more than one year

		Group		Company	
		2023	2022	2023	2022
	Notes	£	£	£	£
Bank loans and overdrafts	20	2,766,227	7,331,798	2,766,227	7,331,798
Other borrowings	20	-	200,000	-	200,000
		2,766,227	7,531,798	2,766,227	7,531,798

20 Loans and overdrafts

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	8,505,493	17,065,458	8,505,493	17,065,458
Bank overdrafts	1,688	-	1,688	-
Other loans	200,000	200,000	200,000	200,000
	8,707,181	17,265,458	8,707,181	17,265,458
Payable within one year	5,940,954	9,733,660	5,940,954	9,733,660
Payable after one year	2,766,227	7,531,798	2,766,227	7,531,798

The bank loans are secured by fixed charges over some of the companies development properties. The bank loans are repayable on fixed maturity dates or on the sale of the secured properties if earlier. The other loan has been extended after the balance sheet date and is now repayable in July 2025.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
Tax losses	-	(87,000)	-	928,000
Revaluations	63,500	526,000	-	-
	63,500	439,000	-	928,000

Company	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
Tax losses	-	-	-	928,000

Movements in the year:	Group 2023 £	Company 2023 £
Net asset at 1 January 2023	(489,000)	(928,000)
Charge to profit or loss	552,500	928,000
Liability at 31 December 2023	63,500	-

21 Deferred taxation (Continued)

A deferred tax asset has not been recognised in respect of c£2.5m of group tax losses carried forward as it is not certain when the group will be able to utilise these losses.

22 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	10,269	11,109

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

Group and company Ordinary share capital Issued and fully paid	2023 Number	2022 Number	2023 £	2022 £
Ordinary shares of £1 each	2,184,379	2,184,379	2,184,379	2,184,379

24 Share premium account

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
At the beginning and end of the year	831,495	831,495	831,495	831,495

25 Capital reserve

Group	2023 £	2022 £
At the beginning and end of the year	489,227	489,227

Company	2023 £	2022 £
At the beginning and end of the year	1,109	1,109

26 Profit and loss reserves

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
At the beginning of the year	11,310,307	14,340,358	8,811,581	8,935,465
Profit/(loss) for the year	(1,970,749)	(1,980,051)	(2,223,953)	926,116
Dividends	-	(1,050,000)	-	(1,050,000)
At the end of the year	9,339,558	11,310,307	6,587,628	8,811,581

27 Related party transactions

a) The gross profit for the year is stated after the following joint property participants' share of profits / (losses)

	2023	2022
	£	£
Reachdrum Limited	(156,656)	(54,404)
Revelprime Limited	277,343	6,098
MFC Estates plc	13,007	(3,783)
Mountheed Limited	61,072	(10,195)
P L Murphy	(104,756)	(154,894)
P L Murphy Children's Trust	99,136	89,446

Amounts owed to joint property participants for the company and the group which are included under other creditors include amounts owed / (due from) the following related parties:

	2023	2022
	£	£
Reachdrum Limited	212,076	345,368
Revelprime Limited	16,088	38,745
MFC Estates plc	80,118	132,692
Mountheed Limited	193,764	(1,152)
P L Murphy	(105,908)	62,065
P L Murphy Children's Trust	(20,372)	67,111

Administrative expenses include a bad debt provision in respect of balances owed by joint property participants for a number of developments. The bad debt provision includes the following amounts in respect of related parties:

	2023	2022
	£	£
Reachdrum Limited	225,539	-

In addition to the above, other debtors and other creditors for the company and the group include the following related party balances due from / (to):

	2023	2022
	£	£
Due from Reachdrum Limited	9,332	9,332
Due to Plaint Limited	(18,392)	(18,392)
Due to Delaway Limited	(12,806)	(12,806)

27 Related party transactions **(Continued)**

Due to MFC Estates plc (due from MFC Estates plc in 2022)	(1,464,640)	684,822
Due to M 25 Group Limited	-	(3,543,306)
Due to Cavendish & Gloucester plc	(64,621)	(65,121)

The above balances are unsecured and interest free.

(i) Reachdrum Limited is under the control of the director, M Slane, by virtue of his beneficial interest in that company.

(ii) Revelprime Limited and Mountheed Limited are wholly owned subsidiaries of M 25 Group Limited, which in turn is a wholly owned subsidiary of Enterprise Properties Limited, a company owned by P Murphy and P Murphy Children's Trust. P Murphy is the settlor of P Murphy Children's Trust.

(iii) Plaint Limited is a wholly owned subsidiary of Enterprise Properties Limited.

(iv) Cavendish & Gloucester plc is wholly owned by P Murphy.

(v) MFC Estates plc is under the control of the director, P Murphy, by virtue of his beneficial interest in that company. MFC Estates plc owns 12.8% of the issued share capital of Cavendish & Gloucester Properties Limited.

(vi) Delaway Limited is under the control of P Murphy and M Slane who each have a 50% interest in that company.

b) Other operating income includes £50,000 (2022: £50,000) in respect of management fees charged to M 25 Group Limited.

c) Administrative expenses includes rent of £305,086 (2022: £300,000) payable to P Murphy for the use of a property owned by him and a credit of £152,543 (2022: £150,000) in respect of recharges made to MFC Estates plc for its use of that property. Also included under administrative expenses is a net sum of £28,000 (2022: £28,000) in respect of rents payable to the MFC Estates plc group.

d) At the balance sheet date, the following amounts were due from / (to) the directors, included in other debtors /other creditors:

	2023	**2022**
	£	**£**
P Murphy	684,989	(17,212)
M Slane	-	(6,780)

Interest is chargeable on the amount due from P Murphy at HMRC's offical rate for beneficial loans and amounts to £8,452 for the year which has been accrued in these accounts. Interest is not payable on directors' credit balances.

28 Cash generated from/(absorbed by) group operations

	2023	2022
	£	£
Loss for the year after tax	(1,970,749)	(1,980,051)
Adjustments for:		
Taxation charged/(credited)	530,776	(733,000)
Finance costs	1,012,301	772,961
Investment income	(9,518)	-
Loss on disposal of tangible fixed assets	4,622	-
Gain on disposal of investment property	(4,496)	-
Fair value loss on investment properties	89,439	-
Amortisation and impairment of intangible assets	2,216	2,216
Depreciation and impairment of tangible fixed assets	8,326	11,231
Movements in working capital:		
Decrease/(increase) in stocks	11,452,168	(1,369,776)
(Increase)/decrease in debtors	(221,474)	2,404,894
Decrease in creditors	(3,429,986)	(2,123,261)
Cash generated from/(absorbed by) operations	7,463,625	(3,014,786)

29 Analysis of changes in net debt - group

	1 January 2023	Cash flows	31 December 2023
	£	£	£
Cash at bank and in hand	1,415,565	91,137	1,506,702
Bank overdrafts	-	(1,688)	(1,688)
	1,415,565	89,449	1,505,014
Borrowings excluding overdrafts	(17,265,458)	8,559,965	(8,705,493)
	(15,849,893)	8,649,414	(7,200,479)

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