

Company Registration No. 01641970 (England and Wales)

CHESTERFIELD HOUSE MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



CHESTERFIELD HOUSE MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Dr A Stacey Mr G F Hutchings Sir C R Corness Mrs P Gold Mr V Vareldzis Mr D Man Ka Ho
Secretary	A S M Blixt
Company number	01641970
Registered office	Chesterfield House South Audley Street London W1K 1HA
Auditor	Berley Chartered Accountants, Statutory Auditors 76 New Cavendish Street London W1G 9TB

CHESTERFIELD HOUSE MANAGEMENT LIMITED

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CHESTERFIELD HOUSE MANAGEMENT LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The annual statement provides full details of the Company's activities for the financial year ending 31st March 2020 and key points are highlighted below. It also provides the opportunity to update lessees on the matters to which the Board of Chesterfield House Management Limited has been attending in the last year.

Accounts and Overall Financial Position

The accounts show the potential tax liability on Company assets, as required under the Financial Reporting Standard FRS 102. The accounts for the year ending March 2020 show on page 7 that there is an operating profit of £537,746 and a profit before taxation of £546,060. The Company's nett assets have increased from £9,818,375 in 2019 to £10,174,786 in 2020, as shown on page 8. The value of the Company's fixed assets has been assumed to be unchanged from the previous year at £10,437,475 (see page 8).

Service Charge and Refurbishment Fund

The service charge demand from the lessees has once again remained unchanged at £757,114 in 2019 / 2020 for the ninth year in the last ten years, though the sum for the sinking fund was increased in recognition of the maintenance and repair work that will be required in the next few years – this is discussed below. The service charge is subsidised by a sum from the reserves and the full amount was needed to cover the additional expenses referred to below.

Administrative expenses

The total administrative expenses (i.e. service charge costs and additional costs incurred by the Company) in 2019 / 2020 increased to £928,516 from £868,919 in the previous year.

The increased administrative expenses are primarily due to the need to refurbish and repair three company flats, including the head porter's flat which the Board decided to let, energy (light and heat) and legal and professional fees. Legal fees have been incurred in connection with the proposed development of Leconfield House which, if unchallenged, would have a significantly adverse impact on Chesterfield House, and in connection with a telecommunications company demanding to inspect our buildings with a view to placing a mast on the roof.

Reserves

The total value of the Company's nett current assets was £1,538,150 on 31 March 2020 compared with £992,090 in the previous year (see page 8). These are made up of the income received from the Company's assets, i.e. the flats and the car park, the refurbishment fund and the premia received for the lease extensions. Detailed analysis of income shows that the lease extension funds of £688,602 received to March 2019 increased by a further £524,408 in 2019 / 2020 to make a total of £1,213,010. The rental income from the garage was slightly lower but comparable to that received in the previous year whilst that from the flats showed a slight increase as the refurbished flats came into use.

Focus moving forward

The rolling maintenance programme included a number of important items of work, including the replacement of the fire alarm and intercom systems. A particularly significant activity in 2019 / 2020 was the organisation of the internal refurbishment of the buildings, which is long overdue. Work was planned to commence in April 2020 but was disrupted by the pandemic. The work has now started, with appropriate precautions in place, and is scheduled to be completed by April 2021. I know that many lessees are excited by the prospect of a newly decorated building and we all look forward to seeing and enjoying the results..

CHESTERFIELD HOUSE MANAGEMENT LIMITED

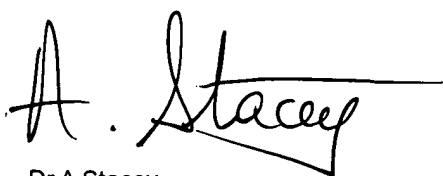
CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Conclusion

The Company has ended the year 2019 / 2020 in a strong financial position. This has enabled substantial work to be undertaken without the need to issue further demands to the lessees. However, the ageing buildings will continue to require significant maintenance and present challenges and the Board is fully aware of the need to control costs.

Overall, the year 2019 / 2020 has been a successful one and I am grateful to the Board of Directors of Chesterfield House Management Limited, namely Sir Colin Corness, Mrs. P. Gold, Mr. G. Hutchings, Mr. D. Man and Mr. V. Vareldzis, the General Manager, Ms. A. Blixt, and the staff for their service to Chesterfield House.

A handwritten signature in black ink, appearing to read 'A. Stacey', with a horizontal line extending from the end of the signature.

Dr A Stacey

Director

4 September 2020

CHESTERFIELD HOUSE MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of managing the property of Chesterfield House for the benefit of its residents.

Directors

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

Dr A Stacey
Mr G F Hutchings
Sir C R Corness
Mrs P Gold
Mr V Vareldzis
Mr D Man Ka Ho

Auditor

The auditor, Berley Chartered Accountants, Statutory Auditors, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

CHESTERFIELD HOUSE MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

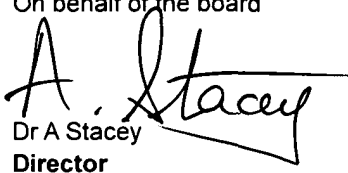
FOR THE YEAR ENDED 31 MARCH 2020

Statement of disclosure to auditor

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


Dr A Stacey
Director

4 September 2020

CHESTERFIELD HOUSE MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHESTERFIELD HOUSE MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Chesterfield House Management Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

CHESTERFIELD HOUSE MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHESTERFIELD HOUSE MANAGEMENT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

Jeremy H Berman (Senior Statutory Auditor)
76 New Cavendish Street, London, W1G 9TB

For and on behalf of
Berley Chartered Accountants, Statutory Auditors

11 September 2020

CHESTERFIELD HOUSE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover		1,460,762	1,631,738
Administrative expenses		(928,516)	(868,919)
Other operating income		5,500	4,300
Operating profit		537,746	767,119
Interest receivable and similar income		8,314	2,130
Profit before taxation		546,060	769,249
Taxation		(189,551)	37,300
Profit for the financial year		356,509	806,549
Other comprehensive income		-	-
Total comprehensive income for the year		356,509	806,549

CHESTERFIELD HOUSE MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investment properties	3	10,437,475		10,437,475	
Current assets					
Debtors	4	248,758		283,260	
Cash at bank and in hand		2,000,171		1,544,415	
		<u>2,248,929</u>		<u>1,827,675</u>	
Creditors: amounts falling due within one year	5	<u>(710,779)</u>		<u>(835,585)</u>	
Net current assets		1,538,150		992,090	
Total assets less current liabilities		<u>11,975,625</u>		<u>11,429,565</u>	
Provisions for liabilities	6	<u>(1,800,741)</u>		<u>(1,611,190)</u>	
Net assets		<u>10,174,884</u>		<u>9,818,375</u>	
Capital and reserves					
Called up share capital		98		98	
Profit and loss reserves		10,174,786		9,818,277	
Total equity		<u>10,174,884</u>		<u>9,818,375</u>	

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

The financial statements were approved by the board of directors and authorised for issue on 4 September 2020 and are signed on its behalf by:


Dr A Stacey
Director

Company Registration No. 01641970

CHESTERFIELD HOUSE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2018	98	9,011,728	9,011,826
Year ended 31 March 2019:			
Profit and total comprehensive income for the year	-	806,549	806,549
Balance at 31 March 2019	98	9,818,277	9,818,375
Year ended 31 March 2020:			
Profit and total comprehensive income for the year	-	356,509	356,509
Balance at 31 March 2020	98	10,174,786	10,174,884

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Chesterfield House Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is Chesterfield House, South Audley Street, London, W1K 1HA. The principal activity of the company continues to be that of the management of the property of Chesterfield House for the benefit of its residents.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for rents, interest and service charges within the United Kingdom.

Revenue from rental properties are recognised as they are invoiced. Rentals are generally invoiced monthly in advance of the month of occupancy, unless alternate arrangements are agreed. The lengths of the leases vary by property.

Revenue from service charges is recognised by the period to which those charges relate. Service charges are raised biannually in advance, in two six month tranches.

1.3 Investment properties

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.

1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.5 Financial instruments

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

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

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

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors 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.

1.6 Equity instruments

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

1.7 Taxation

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

Current tax

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

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Deferred tax

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

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

1.8 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.

1.9 Service charge income and expenditure

The income and expenditure recognised in the accounts encompasses all transactions entered into by the company in its own right and also on behalf of the leaseholders. Any short term surpluses in relation to annual service charge income and expenditure, along with any funds held on behalf of the leaseholders for future refurbishment expenditure, are recognised as liabilities within other creditors.

2 Employees

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

	2020 Number	2019 Number
Total	13	13

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Investment property

2020
£

Fair value

At 1 April 2019 and 31 March 2020

10,437,475

Investment properties represent the Company's interest in the long leasehold of five flats and two other structures at the property known as Chesterfield House. The investment properties undergo regular external valuation with review undertaken, by the board of directors, of the carrying value in the intervening periods. No depreciation is provided in respect of these properties. The latest external valuation of the investment property was carried out at 31 March 2016 by Savills (UK) Limited Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors have updated the valuation based on the same factors and are of the opinion that the above valuation is appropriate for the current period.

4 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	123,889	172,247
Other debtors	124,869	111,013
	<u>248,758</u>	<u>283,260</u>

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	43,963	39,952
Taxation and social security	3,509	16,718
Other creditors	663,307	778,915
	<u>710,779</u>	<u>835,585</u>

Included within other creditors is an amount of £139,058 (2019: £255,925) held on behalf of the leaseholders in respect of refurbishment funds and short term service charge surpluses.

6 Provisions for liabilities

	2020 £	2019 £
Deferred tax liabilities	<u>1,800,741</u>	<u>1,611,190</u>

CHESTERFIELD HOUSE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Controlling party

The company has no ultimate controlling party.

All of the Directors are members of the company and as lessees contribute to the service charges and ground rent on the same basis as all other lessees.