

Registered number: 02621333

Chandler Securities Limited (formerly The Chandler Corporation Limited)

Financial statements

For the year ended 31 December 2018



Chandler Securities Limited (formerly The Chandler Corporation Limited)
Registered number: 02621333

Balance sheet
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	6	1,736,658	2,521,360
Investment property	7	-	2,215,000
		<u>1,736,658</u>	<u>4,736,360</u>
Current assets			
Debtors: amounts falling due within one year	8	2,741,337	147,251
Cash at bank and in hand		1,456,767	1,173,181
		<u>4,198,104</u>	<u>1,320,432</u>
Creditors: amounts falling due within one year	9	(3,181,668)	(3,178,303)
Net current assets/(liabilities)		<u>1,016,436</u>	<u>(1,857,871)</u>
Total assets less current liabilities		<u>2,753,094</u>	<u>2,878,489</u>
Provisions for liabilities			
Deferred tax	11	(116,032)	(261,867)
Net assets		<u>2,637,062</u>	<u>2,616,622</u>
Capital and reserves			
Called up share capital	12	2,100	2,100
Other reserves	13	-	1,250,631
Profit and loss account	13	2,634,962	1,363,891
		<u>2,637,062</u>	<u>2,616,622</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 on 1 August 2019.

K J Brown FCIS ATII FCCA
 Director

The notes on pages 2 to 10 form part of these financial statements.

Chandler Securities Limited (formerly The Chandler Corporation Limited)

Notes to the financial statements For the year ended 31 December 2018

1. General information

Chandler Securities Limited (formerly The Chandler Corporation Limited) is a private company limited by shares and is incorporated in England with the registration number 02621333. The address of the registered office is 3rd Floor, 24 Chiswell Street, London, EC1Y 4YX.

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 Company has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

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 (see note 3).

The company's functional and presentational currency is pounds sterling. The financial statements are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

These financial statements are therefore the company's separate financial statements, and present information about the company as an individual undertaking and not about its group.

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:

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.

Turnover represents rents and return on investments receivable during the year.

**Notes to the financial statements
For the year ended 31 December 2018**

2. Accounting policies (continued)

2.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.6 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Chandler Securities Limited (formerly The Chandler Corporation Limited)

**Notes to the financial statements
For the year ended 31 December 2018**

2. Accounting policies (continued)

2.9 Investment property

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

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.11 Debtors

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

2.12 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.

**Notes to the financial statements
For the year ended 31 December 2018**

2. Accounting policies (continued)

2.13 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

2.14 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.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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Notes to the financial statements For the year ended 31 December 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

Investment property

The company holds investment property with fair value of £NIL (2017 - £2,215,000) at the year end (see note 7). In order to determine the fair value of investment property an assessment is made of the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Taxation

Provision has been made in the financial statements for deferred tax amounting to £116,032 (2017 - £261,867) at the reporting date (see note 11). This provision is based upon estimates of the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of the impact of future tax planning strategies.

4. Audit report

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 1 August 2019 by Peter Manser FCA DChA (senior statutory auditor) on behalf of Kreston Reeves LLP.

5. Employees

The average monthly number of employees, including directors, during the year was 5 (2017 - 3).

6. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2018	528,823	1,992,537	2,521,360
Additions	-	69,276	69,276
Disposals	(528,821)	(320,328)	(849,149)
Revaluations	-	(4,829)	(4,829)
At 31 December 2018	<u>2</u>	<u>1,736,656</u>	<u>1,736,658</u>

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**Notes to the financial statements
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6. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the company as at 31 December 2018:

Name	Class of shares	Holding
TWB (Holdings) Limited	Ordinary	100%

The registered office of TWB (Holdings) Limited is 3rd Floor, 24 Chiswell Street, London, EC1Y 4YX.

7. Investment property

	Long term leasehold investment property £
At 1 January 2018	2,215,000
Disposals	(2,215,000)
At 31 December 2018	-

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8. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	2,738,836	146,000
Prepayments and accrued income	2,501	1,251
	<u>2,741,337</u>	<u>147,251</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	2,675,587	2,909,000
Corporation tax	34,338	27,953
Other creditors	230,000	230,000
Accruals and deferred income	241,743	11,350
	<u>3,181,668</u>	<u>3,178,303</u>

10. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>1,736,656</u>	<u>1,992,537</u>

Financial assets measured at fair value through profit or loss comprise the company's listed investments.

11. Deferred taxation

	2018 £	2017 £
At beginning of year	(261,867)	(228,067)
Charged to profit or loss	-	(47,046)
Utilised in year	145,835	13,246
At end of year	<u>(116,032)</u>	<u>(261,867)</u>

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**Notes to the financial statements
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11. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Deferred tax	(116,032)	(261,867)
	<u>(116,032)</u>	<u>(261,867)</u>

12. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2,100 (2017 - 2,100) Ordinary shares of £1 each	<u>2,100</u>	<u>2,100</u>

13. Reserves

Other reserves

To assist with the identification of profits available for distribution this reserve represents changes in the fair value of the company's investment properties to the extent that they are not considered to be distributable to the company's shareholders, less any related provision for current or deferred tax.

Profit and loss account

This reserve comprised all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

14. Related party transactions

The group is exempt from disclosure related party transactions between companies that are wholly owned within the group.

Dividend payments to the company's directors were made during the year amounting to £NIL (2017 - £15,000).

All other related party transactions during the current and prior periods were made under normal market conditions.

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15. Controlling party

During the year, the entire issued share capital of the company was acquired by Latham Trust Limited.

As at 31 December 2018, the immediate parent undertaking is Latham Trust Limited and the ultimate parent undertaking is The Chandler Corporation Limited (formerly Latham Children (Holdings) Limited), both companies registered in England.

The group headed by The Chandler Corporation Limited qualifies as small as set out in section 383 of the Companies Act 2006 and therefore is eligible for the exemption to prepare consolidated accounts.