

Company Registration No. 06371957 (England and Wales)

MERCHANT SQUARE RESIDENTIAL (BUILDINGS A&F) LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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MERCHANT SQUARE RESIDENTIAL (BUILDINGS A&F) LIMITED

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MERCHANT SQUARE RESIDENTIAL (BUILDINGS A&F) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Development properties		141,131,822		205,616,461	
Debtors	3	7,402		1,000	
Cash at bank and in hand		162,885		179,612	
		<u>141,302,109</u>		<u>205,797,073</u>	
Creditors: amounts falling due within one year	4	<u>(241,018,035)</u>		<u>(234,700,548)</u>	
Net current liabilities			<u>(99,715,926)</u>		<u>(28,903,475)</u>
Capital and reserves					
Called up share capital	5		1		1
Profit and loss reserves			<u>(99,715,927)</u>		<u>(28,903,476)</u>
Total equity			<u>(99,715,926)</u>		<u>(28,903,475)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered 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 23 September 2021 and are signed on its behalf by:

J A Kiernander
Director

E M Sawyer
Director

Company Registration No. 06371957

MERCHANT SQUARE RESIDENTIAL (BUILDINGS A&F) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Merchant Square Residential (Buildings A&F) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7 Harbet Road, London, W2 1AJ.

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 Going concern

The accounts have been prepared under the going concern basis as the immediate parent company, Merchant Square Holdings Limited, has confirmed its willingness to support the company for the foreseeable future.

1.3 Development properties

Stocks of development properties are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the development properties to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss, if the reasons for impairment cease to apply.

1.4 Cash at bank and in hand

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.

1.5 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.

MERCHANT SQUARE RESIDENTIAL (BUILDINGS A&F) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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, 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.

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 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2019 - 0).

3 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	7,402	1,000
	<u> </u>	<u> </u>

MERCHANT SQUARE RESIDENTIAL (BUILDINGS A&F) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	-	6,000
Amounts owed to group undertakings	241,016,326	234,680,240
Other creditors	1,709	14,308
	<u>241,018,035</u>	<u>234,700,548</u>

Interest is payable on amounts due to group undertakings at base rate plus 2.5% p.a. The balances are unsecured and repayable on demand.

5 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

6 Parent company

The immediate parent company is Merchant Square Holdings Limited, a company registered in Jersey.

The ultimate parent company and controlling party is ELG Holdings (Jersey) Limited, a company registered in Jersey.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.