

Company registration number 11492387 (England and Wales)

**MALHOTRA PROPERTY DEVELOPMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**  
**PAGES FOR FILING WITH REGISTRAR**



# MALHOTRA PROPERTY DEVELOPMENTS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	J Malhotra
<b>Company number</b>	11492387
<b>Registered office</b>	Malhotra House 50 Grey Street Newcastle upon Tyne NE1 6AE
<b>Auditor</b>	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear NE2 1TJ

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**MALHOTRA PROPERTY DEVELOPMENTS LIMITED**

**CONTENTS**

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	<b>Page</b>
Balance sheet	1
Notes to the financial statements	2 - 7

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# MALHOTRA PROPERTY DEVELOPMENTS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	3		3,629,834		2,750,819
<b>Current assets</b>					
Debtors	4	304,484		261,302	
Cash at bank and in hand		105,212		1,151	
		<u>409,696</u>		<u>262,453</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(2,262,031)</u>		<u>(1,719,033)</u>	
<b>Net current liabilities</b>			<u>(1,852,335)</u>		<u>(1,456,580)</u>
<b>Total assets less current liabilities</b>			<u>1,777,499</u>		<u>1,294,239</u>
<b>Creditors: amounts falling due after more than one year</b>	6		(1,813,025)		(1,338,765)
<b>Provisions for liabilities</b>			<u>(98,282)</u>		<u>(56,517)</u>
<b>Net liabilities</b>			<u><u>(133,808)</u></u>		<u><u>(101,043)</u></u>
<b>Capital and reserves</b>					
Called up share capital	7		1		1
Profit and loss reserves			<u>(133,809)</u>		<u>(101,044)</u>
<b>Total equity</b>			<u><u>(133,808)</u></u>		<u><u>(101,043)</u></u>

The notes on pages 2 to 7 form part of these financial statements.

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

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 and signed by the director and authorised for issue on 2 November 2022

J Malhotra  
Director

Company Registration No. 11492387

# MALHOTRA PROPERTY DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Company information**

Malhotra Property Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Malhotra House, 50 Grey Street, Newcastle upon Tyne, NE1 6AE.

#### **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. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis which, in the opinion of the director, is the appropriate basis. The company's ability to continue trading is dependent upon the ongoing support of its ultimate shareholders and other group companies. In the event that the company is unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount and to re-classify long term liabilities as current liabilities.

#### **1.3 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.

Assets in the course of construction are not depreciated.

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 credited or charged to profit or loss.

Loan interest payments are capitalised as a cost of construction in relation to bank loan finance obtained for a specific property development project.

#### **1.4 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# MALHOTRA PROPERTY DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 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.

#### 1.6 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 balance sheet 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.

##### **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.

# MALHOTRA PROPERTY DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### **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.

#### **1.7 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.

#### **1.8 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current and deferred taxation assets or liabilities are not discounted.

#### **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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **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 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.

# MALHOTRA PROPERTY DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Employees

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

	2022 Number	2021 Number
Total	-	-

#### 3 Tangible fixed assets

	Assets under construction £
<b>Cost</b>	
At 1 April 2021	2,750,819
Additions	867,229
Transfers	11,786
At 31 March 2022	3,629,834
<b>Depreciation and impairment</b>	
At 1 April 2021 and 31 March 2022	-
<b>Carrying amount</b>	
At 31 March 2022	3,629,834
At 31 March 2021	2,750,819

Assets in the course of construction with a value of £3,629,834 have been pledged as security for the company's bank liabilities.

Included in this figure are capitalised borrowing costs of £31,753 (2021: £23,968).

#### 4 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	71,715	18,197
Other debtors	232,769	243,105
	304,484	261,302



# MALHOTRA PROPERTY DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 5 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	864	2,100
Amounts owed to group undertakings	1,349,169	1,251,815
Other creditors	911,998	465,118
	<u>2,262,031</u>	<u>1,719,033</u>

#### 6 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	<u>1,813,025</u>	<u>1,338,765</u>

The long-term loans are secured by fixed charges over a legal charge over the company's development property.

Creditors which fall due after five years are as follows:

	2022 £	2021 £
Payable other than by instalments	<u>1,813,025</u>	<u>1,338,765</u>

#### 7 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Peter Charles BSc FCA and the auditor was Robson Laidler Accountants Limited.

# MALHOTRA PROPERTY DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	8,500,000	8,400,000

### 10 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Property development costs	
	2022 £	2021 £
Other related parties	867,229	667,060

	2022 £	2021 £
Amounts due to related parties		
Other related parties	896,942	456,969

Amounts due from/to related parties are interest free.

#### Other information

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

### 11 Parent company

Malhotra Group plc (incorporated in England and Wales) is regarded by the director as being the company's ultimate parent company.

A copy of the consolidated financial statements can be obtained from the Companies House website.

The ultimate controlling party is J Malhotra.