

Registered number: 12936660

**HARWOOD BUSINESS PARKS INVESTMENT LIMITED
(FORMERLY KNOWN AS 1 ORCHARD PLACE (FREEHOLD) LIMITED)**

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

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1 ORCHARD PLACE (FREEHOLD) LIMITED

COMPANY INFORMATION

Directors	C P H Mills C H B Mills H R M Williamson (appointed 12 May 2022)
Registered number	12936660
Registered office	6 Stratton Street Mayfair London W1J 8LD
Accountants	Simmons Gainsford LLP Chartered Accountants 14th Floor 33 Cavendish Square London W1G 0PW

1 ORCHARD PLACE (FREEHOLD) LIMITED

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1 ORCHARD PLACE (FREEHOLD) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2022

The directors present their report and the financial statements for the period ended 31 March 2022.

Principal activity

The principal activity of the company is that of a property management company.

Directors

The directors who served during the period were:

C P H Mills
C H B Mills

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 financial statements;
- 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 to 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.

Future developments

During the year, the threat from the coronavirus subsided and the economy gradually re-opened. However, commodity price increases, the conflict in Ukraine, a tightening in the labour market and the increasing levels of inflation have created a 'cost of living crisis' which is forecast to cut economic growth over the next 12 to 18 months, but the directors are confident that the company will be able to continue trading profitably. It is possible that revenue could be lower during the year to March 2023 as interest rates are rising and markets are volatile. Markets have been in negative territory in 2022, eg. the FTSE All Share is down over 7% in the 6 months to June 2022. Any decline in revenue will impact our gross and net margins, but the business is very cost conscious, so is expected to remain profitable. The company has considerable financial backing and a secure income stream, so it is well positioned.

1 ORCHARD PLACE (FREEHOLD) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2022**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20/12/2022 | 16:18 GMT

and signed on its behalf.

Christopher Mills
C H B Mills
Director

1 ORCHARD PLACE (FREEHOLD) LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF 1 ORCHARD PLACE (FREEHOLD) LIMITED
FOR THE PERIOD ENDED 31 MARCH 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of 1 Orchard Place (Freehold) Limited for the period ended 31 March 2022 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of directors of 1 Orchard Place (Freehold) Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of 1 Orchard Place (Freehold) Limited and state those matters that we have agreed to state to the Board of directors of 1 Orchard Place (Freehold) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than 1 Orchard Place (Freehold) Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that 1 Orchard Place (Freehold) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of 1 Orchard Place (Freehold) Limited. You consider that 1 Orchard Place (Freehold) Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or review of the financial statements of 1 Orchard Place (Freehold) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Simmons Gainsford LLP
Simmons Gainsford LLP

Chartered Accountants

14th Floor
33 Cavendish Square
London
W1G 0PW

Date: *20/12/2022*

1 ORCHARD PLACE (FREEHOLD) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	354,375	141,199
Cost of sales		(8,248)	-
Gross profit		<u>346,127</u>	<u>141,199</u>
Administrative expenses		(2,261)	(4,525)
Fair value movements		147,027	-
Operating profit		<u>490,893</u>	<u>136,674</u>
Tax on profit	6	(115,459)	(9,188)
Profit for the financial period		<u><u>375,434</u></u>	<u><u>127,486</u></u>

The notes on pages 8 to 14 form part of these financial statements.

1 ORCHARD PLACE (FREEHOLD) LIMITED
REGISTERED NUMBER: 12936660

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investment property	7	5,405,000	5,257,973
		<u>5,405,000</u>	<u>5,257,973</u>
Current assets			
Debtors: amounts falling due within one year	8	300,352	100
Cash at bank and in hand	9	107,322	191,198
		<u>407,674</u>	<u>191,298</u>
Creditors: amounts falling due within one year	10	(5,272,897)	(5,321,685)
Net current liabilities		<u>(4,865,223)</u>	<u>(5,130,387)</u>
Provisions for liabilities			
Deferred tax		(36,757)	-
		<u>(36,757)</u>	<u>-</u>
Net assets		<u>503,020</u>	<u>127,586</u>
Capital and reserves			
Called up share capital	12	100	100
Other reserves		110,270	-
Profit and loss account		392,650	127,486
		<u>503,020</u>	<u>127,586</u>

1 ORCHARD PLACE (FREEHOLD) LIMITED
REGISTERED NUMBER: 12936660

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

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 financial statements were approved and authorised for issue by the board and were signed on its behalf on

20/12/2022 | 16:18 GMT

Christopher Mills

C H B Mills
Director

The notes on pages 8 to 14 form part of these financial statements.

1 ORCHARD PLACE (FREEHOLD) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	100	-	127,486	127,586
Comprehensive income for the period				
Profit for the period	-	-	375,434	375,434
Fair value movement on investment property	-	147,027	(147,027)	-
Tax on fair value movement on investment property	-	(36,757)	36,757	-
At 31 March 2022	<u>100</u>	<u>110,270</u>	<u>392,650</u>	<u>503,020</u>

The notes on pages 8 to 14 form part of these financial statements.

1 ORCHARD PLACE (FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

1. General information

The company is a private company limited by shares, incorporated in England and Wales. The address of the registered office and principal trading address is 6 Stratton Street, London, England, W1J 8LD.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Harwood Capital Management Limited as at 31 March 2022 and these financial statements may be obtained from 6 Stratton Street, Mayfair, London, W1J 8LD.

2.3 Going concern

The parent entity will provide support to the Company to meet its forecast liabilities as they fall due. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

2.4 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:

Rental income is recognised on an accruals basis as earned in accordance with the terms of the lease.

1 ORCHARD PLACE (FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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 balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived 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 profit or loss.

2.7 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.

2.8 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.

2.9 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.

1 ORCHARD PLACE (FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.11 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.

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 Profit and loss account.

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.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. Actual results may differ from these estimates. 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 revision and future periods where the revision affects both current and future periods.

Fair value of investment property

The directors determine the fair value of the investment property at the end of the reporting date based on prevailing market rates. Details of the key assumptions and techniques used have been detailed on note 7.

1 ORCHARD PLACE (FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Rental income	354,375	141,199

All turnover arose within the United Kingdom.

5. Employees

The average monthly number of employees, including the directors, during the period was as follows:

	2022 No.	2021 No.
Directors	2	2

6. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	63,054	9,188
Adjustments in respect of previous periods	15,648	-
	78,702	9,188
Total current tax	78,702	9,188
Deferred tax		
Origination and reversal of timing differences	36,757	-
Total deferred tax	36,757	-
Taxation on profit on ordinary activities	115,459	9,188

1 ORCHARD PLACE (FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

6. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	490,893	136,674
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	93,270	25,968
Effects of:		
Capital allowances for period in excess of depreciation	(2,280)	(1,133)
Adjustments to tax charge in respect of prior periods	15,647	-
Other tax charge (relief) on exceptional items	(27,935)	-
Group relief	-	(15,647)
Deferred tax	36,757	-
Total tax charge for the period	115,459	9,188

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Investment property

	Freehold investment property £
Valuation	
At 1 April 2021	5,257,973
Surplus on revaluation	147,027
At 31 March 2022	5,405,000

The 2022 valuations were made by the directors, on an open market value basis.

1 ORCHARD PLACE (FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

8. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	298,000	-
Other debtors	100	100
Prepayments and accrued income	2,252	-
	<u>298,100</u>	<u>100</u>

9. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	107,322	191,198
	<u>107,322</u>	<u>191,198</u>

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	105,000
Amounts owed to group undertakings	5,100,000	5,100,000
Corporation tax	63,054	9,188
Other taxation and social security	17,468	17,497
Accruals and deferred income	92,375	90,000
	<u>5,272,897</u>	<u>5,321,685</u>

11. Deferred taxation

	2022 £
Charged to profit or loss	(36,757)
At end of year	<u>(36,757)</u>

1 ORCHARD PLACE (FREEHOLD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

11. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Deferred tax	(36,757)	-
	<u>(36,757)</u>	<u>-</u>

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100 (2021 - 100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

13. Controlling party

The immediate parent undertaking is Growth Financial Services Limited which is registered in England and Wales. The ultimate parent undertaking is Harwood Capital Management Limited which is registered in England and Wales. The consolidated financial statements of Harwood Capital Management Limited are held and available at 6 Stratton Street, Mayfair, London, W1J 8LD.

CHB Mills is the ultimate controlling party by virtue of his shareholding in Harwood Capital Management Limited.