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1 CHESTER GATE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

AMENDED AND RESTATED



PRAXIS

1 CHESTER GATE LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

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1 CHESTER GATE LIMITED

DIRECTORS' REPORT YEAR ENDED 31 MARCH 2020

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

INCORPORATION AND PRINCIPAL ACTIVITIES

The Company was incorporated in Guernsey on 3 September 2014 and its registered number is 58963. The principal activity of the Company is that of a property holding company.

RESULTS AND DIVIDENDS

The result for the year is shown on the Statement of Income and Retained Earnings.

No dividends have been paid or declared during the year (2019: £nil).

RESTATEMENT

The financial statements have been amended and restated to show development properties at a net realisable value of £103,000,000, being the value at which it was appropriated from stock to fixed assets on 19 May 2020.

DIRECTORS' RESPONSIBILITIES

In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The financial statements have been prepared properly in accordance with generally accepted accounting principles and in accordance with any relevant enactments for the time being in force, are in agreement with the accounting records, which have been properly kept in accordance with section 238 of The Companies (Guernsey) Law, 2008. The Company accounts are exempt from the requirement to be audited and have therefore not been audited.

GOING CONCERN

The Russia Ukraine war is a continuing situation and as of the date of signing these financial statements, the assessment of this situation will need continued attention as it evolves over time. The Director does not underestimate the seriousness of the issue and the effect it will have on the global economy and many businesses around the world.

After making all reasonable enquires the Director believes that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements. In forming the assessment, the Director has considered the impact of the Russia Ukraine War on the Company and its counterparties and its ability to continue to pay its liabilities as they fall due.

DIRECTORS

The directors who served throughout the year and to date of signing were:

Praxis Directors One Limited	Appointed 19 May 2020
Praxis Directors Two Limited	Appointed 19 May 2020
Praxis Directors One (UK) Limited	Appointed 19 May 2020
CPCCD Limited	Resigned 19 May 2020
J G Wilson	Resigned 19 May 2020
B G A David	Resigned 19 May 2020
R P Share	Resigned 19 May 2020

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DIRECTORS' REPORT (CONTINUED)
YEAR ENDED 31 MARCH 2020

SECRETARY

The secretary who served during the year was:

Praxis Secretaries Limited
Cosign Limited

Appointed 19 May 2020
Resigned 19 May 2020

REGISTERED OFFICE

The registered office of the Company is at:

Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 1GR

BY ORDER OF THE BOARD

For and on behalf of
PRAXIS DIRECTORS ONE LIMITED



Director:

Date: 30/3/2023

For and on behalf of
PRAXIS DIRECTORS TWO LIMITED



Director:

Date: 30/3/2023

1 CHESTER GATE LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 MARCH 2020**

	2020		2019	
	£	£	£	£
INCOME				
Interest income		-		1,112
EXPENDITURE				
Property expenses	600,621		493,764	
Insurance costs	87,876		-	
Cost of sale	207,714		-	
Consultancy fees	41,316		-	
Sundry expenses	97,280		-	
Bank interest and charges	855		-	
Loan interest	1,761,709		803,095	
Impairment of development properties	2,107,117		-	
		4,904,488		1,296,859
LOSS FOR THE YEAR		(4,904,488)		(1,295,747)
ACCUMULATED LOSSES BROUGHT FORWARD		(1,708,128)		(412,381)
ACCUMULATED LOSSES CARRIED FORWARD		(6,612,616)		(1,708,128)

The notes on pages 5 and 6 form part of these financial statements.

1 CHESTER GATE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2020	2019
		£	£
CURRENT ASSETS			
Development properties	2	103,000,000	104,827,630
Debtors		-	100,300
VAT receivable		21,046	62,894
Cash at bank		-	14,050
		<u>103,021,046</u>	<u>105,004,874</u>
CURRENT LIABILITIES			
Creditors		-	25,389
Accruals		15,132	57,361
Loan from Sud co Holdings 2 Out Limited	3	44,352,255	41,570,270
Loan from CPC Group Limited	3	1,915,648	1,733,281
Bank loan - Credit Suisse (UK) Limited	3	59,148,926	-
		<u>105,431,961</u>	<u>43,386,301</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(2,410,915)</u>	<u>61,618,573</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,410,915)</u>	<u>61,618,573</u>
NON-CURRENT LIABILITIES			
Bank loan - Credit Suisse (UK) Limited	3	-	59,125,000
TOTAL ASSETS LESS LIABILITIES		<u>(2,410,915)</u>	<u>2,493,573</u>
CAPITAL AND RESERVES			
Share capital		4,201,701	4,201,701
Accumulated losses		(6,612,616)	(1,708,128)
TOTAL EQUITY		<u>(2,410,915)</u>	<u>2,493,573</u>

These financial statements have been prepared in accordance with FRS102 Section 1A (small entities), were approved by the Board of Directors on 30 March 2023 and were signed on their behalf by:

For and on behalf of
PRAXIS DIRECTORS ONE LIMITED



Director:

For and on behalf of
PRAXIS DIRECTORS TWO LIMITED



Director:

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the provisions of FRS102 section 1A small entities.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied within the same financial statements.

a) **Accounting principle: going concern**

The financial statements have been prepared on a going concern basis as the shareholders have agreed to provide adequate funds to meet the Company's liabilities as they fall due for the foreseeable future.

After making all reasonable enquiries the directors believe that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements. In forming their assessment, the directors have considered the impact of the Russia Ukraine War on the Company and its counterparties and its ability to continue to pay its liabilities as they fall due.

b) **Accounting convention**

The financial statements have been prepared under the historical cost convention. The presentation currency is Sterling.

c) **Income and expenditure**

Income and expenditure are accounted for on an accruals basis.

d) **Development properties**

Development properties consists of property that is in the process of being developed or is available for sale. Development properties are included at the lower of cost and the directors' estimate of its net realisable value. Net realisable value is determined as the estimating selling price less additional cost to completion and disposal.

Cost of development includes professional fees and for qualifying assets borrowing costs capitalised in accordance with the company's accounting policy described below.

At the end of each reporting period development properties are assessed for impairment. If a development property is impaired, the identified development property is reduced to its estimated selling price less costs to complete and sell and an impairment charge is recognised in the income statement. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the income statement.

e) **Finance costs**

Finance costs that are directly attributable to the acquisition and development of property are capitalised as part of the cost of the asset until such time as the property is substantially ready for sale. Otherwise finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are recognised as a reduction in the proceeds of the associated capital instrument.

f) **Loans**

Loans are initially measured at cost. Subsequently, loans are measured at the undiscounted amount of cash or other consideration expected to be paid.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2020

2. DEVELOPMENT PROPERTIES

	2020 £	2019 £
Development in progress	103,000,000	104,827,630

Interest and finance charges capitalised to development in progress during the year were £nil (2019: £956,458). Total interest and finance charges capitalised at 31 March 2020 were £1,421,696 (2019: £1,421,696).

The development of the properties was completed in May 2020 and the leasehold properties were appropriated from stock to fixed assets on 19 May 2020 at a value of £103,000,000.

The development property is subject to a legal charge as security for the bank loan (Note 3).

3. LOANS

The loan from Sud co Holdings 2 Out Limited is unsecured, interest free and repayable on demand. The amount of £41,905,327 was repaid on 20 May 2020 while the remaining £2,446,928 was waived on the same date.

The loan from CPC Group Limited are unsecured, interest free and repayable on demand. The loan was repaid on 20 May 2020.

The loan from Credit Suisse (UK) Limited bears interest at a margin of 2% above three-month LIBOR per annum and has been repaid on 20 May 2020. The company had provided the following security to the bank:

- Fixed legal charge over the property owned by the company (Note 2).
- Floating charge over the remaining assets of the company.
- Security interest agreement over the shares of the company.
- A guarantee provided by the ultimate controlling party of the company.

4. EVENTS AFTER THE REPORTING PERIOD

On 19 May 2020 further 798,299 shares were issued for a consideration of GBP102,999,900.

On 10 June 2020 further 100 shares were issued for a consideration of GBP205,181.

On 5 August 2020 further 22,771.30 shares were issued for a consideration of GBP470,000.

On 7 August 2020, the Directors agreed to reduce the capital of the Company by extinguishing 5,012,755 of issued ordinary shares and this was represented by way of transfer to the sole member of the Company of the leasehold properties known as 9/10 Cambridge Terrace and Chester Gate, London - NW1 4JH.

5. COMMITMENTS

The Company has no outstanding commitments.

6. RESTATEMENT

The financial statements have been amended and restated to show development property at a net realisable value of £103,000,000, being the value at which it was appropriated from stock to fixed assets on 19 May 2020.