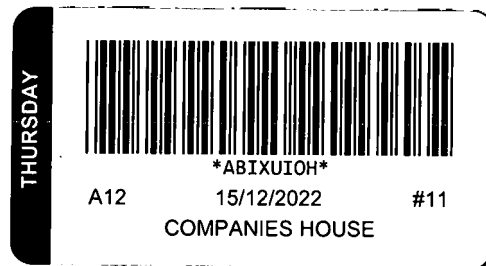


Company registration number 02568219 (England and Wales)

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



# MALHOTRA PROPERTY LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	J Malhotra M Malhotra
<b>Company number</b>	02568219
<b>Registered office</b>	'Bawi' 1 Runnymede Road Darras Hall Ponteland Newcastle upon Tyne NE20 9HE
<b>Auditor</b>	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear NE2 1TJ
<b>Business address</b>	Malhotra House 50 Grey Street Newcastle upon Tyne NE1 6AE

---

# MALHOTRA PROPERTY LIMITED

## CONTENTS

---

	<b>Page</b>
Balance sheet	1 - 2
Notes to the financial statements	3 - 11

---

# MALHOTRA PROPERTY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	4	332,921		6,430	
Investment properties	5	7,253,000		7,253,000	
Investments	6	48,734		48,734	
		<u>7,634,655</u>		<u>7,308,164</u>	
<b>Current assets</b>					
Debtors	7	2,629,258		2,725,250	
Cash at bank and in hand		11,715		22,689	
		<u>2,640,973</u>		<u>2,747,939</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(7,216,048)</u>		<u>(2,566,356)</u>	
<b>Net current (liabilities)/assets</b>		<u>(4,575,075)</u>		<u>181,583</u>	
<b>Total assets less current liabilities</b>		<u>3,059,580</u>		<u>7,489,747</u>	
<b>Creditors: amounts falling due after more than one year</b>	9	(386,404)		(1,884,886)	
<b>Provisions for liabilities</b>		<u>(404,077)</u>		<u>(367,096)</u>	
<b>Net assets</b>		<u>2,269,099</u>		<u>5,237,765</u>	
<b>Capital and reserves</b>					
Called up share capital	11	150,000		150,000	
Profit and loss reserves		2,119,099		5,087,765	
<b>Total equity</b>		<u>2,269,099</u>		<u>5,237,765</u>	

The notes on pages 3 to 11 form part of these financial statements.

The directors of the company have 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.

# **MALHOTRA PROPERTY LIMITED**

## **BALANCE SHEET (CONTINUED)**

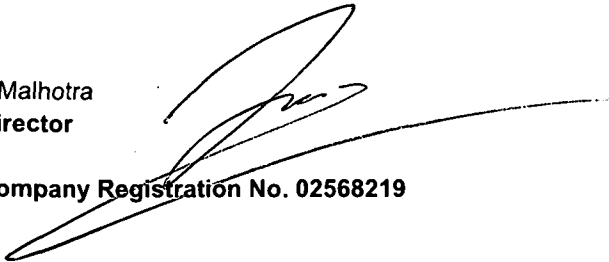
**AS AT 31 MARCH 2022**

---

The financial statements were approved by the board of directors and authorised for issue on 2 November 2022 and are signed on its behalf by:

J Malhotra  
Director

Company Registration No. 02568219

A large, stylized handwritten signature in black ink, likely belonging to J Malhotra, is written over the text of the signature block.

# MALHOTRA PROPERTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

##### Company information

Malhotra Property Limited is a private company limited by shares incorporated in England and Wales. The registered office is 'Bawi' 1 Runnymede Road, Darras Hall, Ponteland, Newcastle upon Tyne, NE20 9HE. The principal place of business 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, modified to include investment properties at fair value. 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 Turnover

Rents receivable are recognised in accordance with the underlying property leases. Lease incentives (such as rent free periods) are spread over the entire period of the lease.

##### 1.4 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 on the following bases:

Fixtures and fittings	25% straight line basis
Computer equipment	25% straight line basis

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.

##### 1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

# MALHOTRA PROPERTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

Investment property is shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the profit and loss account.

The methods and significant assumptions used to ascertain the fair value of the properties are to use fair value based on directors' estimates.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets which are not measured at fair value 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.

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.

#### 1.8 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.

# MALHOTRA PROPERTY LIMITED

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

---

### 1 Accounting policies

(Continued)

#### 1.9 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.

##### **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.

#### 1.10 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.

#### 1.11 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.



# MALHOTRA PROPERTY LIMITED

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

---

### 1 Accounting policies

(Continued)

#### **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.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# MALHOTRA PROPERTY LIMITED

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

---

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 the revision and future periods where the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Fair value of investment properties***

Some investment properties have been valued at fair value based on the director's estimates.

### 3 Employees

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Total	-	-
	<u>          </u>	<u>          </u>

The wage costs are in respect of re-charges from the parent undertaking.

# MALHOTRA PROPERTY LIMITED

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

### 4 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2021	157,223	5,159	162,382
Additions	374,377	2,406	376,783
At 31 March 2022	531,600	7,565	539,165
<b>Depreciation and impairment</b>			
At 1 April 2021	150,946	5,006	155,952
Depreciation charged in the year	50,156	136	50,292
At 31 March 2022	201,102	5,142	206,244
<b>Carrying amount</b>			
At 31 March 2022	330,498	2,423	332,921
At 31 March 2021	6,277	153	6,430

### 5 Investment property

	2022 £
<b>Fair value</b>	
At 1 April 2021 and 31 March 2022	7,253,000

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 19 October 2020 by Lambert Smith Hampton Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

Certain investment properties have been valued at fair value based on directors' estimates.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2022 £	2021 £
Cost	3,671,297	3,671,297
Accumulated depreciation	-	-
Carrying amount	3,671,297	3,671,297

Investment property with a value of £7,253,000 (2021: £6,385,000) has been pledged as security for the company's bank liabilities.

# MALHOTRA PROPERTY LIMITED

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

### 6 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	48,734	48,734

#### Fixed asset investments not carried at market value

The directors have considered the value of the investment without revaluing it. The directors are satisfied that the value of the investment at the year end was not less than the amount at which it is stated in the accounts. The investment is accordingly stated in the accounts on the basis that a revaluation of the investment took place at that time.

### 7 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	62,459	8,790
Amounts owed by group undertakings	2,472,681	2,695,894
Other debtors	94,118	20,566
	2,629,258	2,725,250

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

	2022 £	2021 £
Bank loans	770,465	222,500
Trade creditors	55,390	102,539
Amounts owed to group undertakings	6,054,905	1,982,948
Taxation and social security	(117)	462
Other creditors	335,405	257,907
	7,216,048	2,566,356

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

	2022 £	2021 £
Bank loans and overdrafts	386,404	1,884,886

# MALHOTRA PROPERTY LIMITED

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

### 10 Loans and overdrafts

	2022 £	2021 £
Bank loans	1,156,869	2,107,386
Payable within one year	770,465	222,500
Payable after one year	386,404	1,884,886

The long-term loans are secured by a legal charge over the company's investment properties.

### 11 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	150,000	150,000	150,000	150,000

### 12 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.

### 13 Related party transactions

	2022 £	2021 £
Amounts due to related parties		
Key management personnel	-	1,426
Other related parties	223,586	219,941

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.

# MALHOTRA PROPERTY LIMITED

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

### 14 Directors' transactions

The following advances and credits occurred to a director during the accounting periods shown below,

No interest has been charged on the advances.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
	-	-	163,269	(163,269)	-
		<u>-</u>	<u>163,269</u>	<u>(163,269)</u>	<u>-</u>
		<u>-</u>	<u>163,269</u>	<u>(163,269)</u>	<u>-</u>

### 15 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.