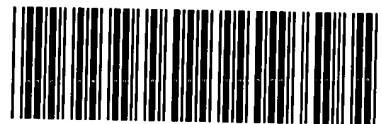


Registered number: 00055030

CAPEL HOUSE PROPERTY TRUST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

WEDNESDAY



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COMPANIES HOUSE *

CAPEL HOUSE PROPERTY TRUST LIMITED

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the GENERAL MEETING of the Members of the Company will be held by Zoom on 23 November 2022 at Noon for the following purposes:

As Routine Business

1. To receive the Directors' Annual Report together with the Group Financial Statements for the year to 31 March 2022.
2. To re-elect J R Beard, who retires by rotation pursuant to Article 73 of the Company's Articles of Association and who, being eligible, offers himself for re-election, as a Director.
3. To re-elect H E S Knox pursuant to Article 79 of the Company's Articles of Association and who, being eligible, offers himself for re-election, as a Director.
4. To reappoint PKF Francis Clark as Auditor of the Company and its subsidiary.
5. To authorise the Directors to fix the remuneration of the Auditor.
6. To approve the Directors' fees for the year ending 31 March 2023.
7. To transact any other routine business of the Company.

By order of the Board

Venthams Trustees Limited
Company Secretary

Notes:

Attendance at the General Meeting

As referred to above, the General Meeting will be held by Zoom. If you wish to join please contact the Company Secretary in the first week of November so that he can send you an invitation. If you have any questions please let him have a note, at that time.

Voting by Proxy

If you intend to vote by proxy, please contact the Company Secretary for the correct proxy form.

CAPEL HOUSE PROPERTY TRUST LIMITED

COMPANY INFORMATION

Directors	F M Stafford Charles, MA, FCA, Chairman J R Beard, ACA O M C King, MRICS H E S Knox, MA, LLM (appointed 9 February 2022)
Company secretary	Venthams Trustees Limited
Registered number	00055030
Registered office	Queens House 55/56 Lincoln's Inn Fields London WC2A 3LJ
Independent auditors	PKF Francis Clark Chartered Accountants and Statutory Auditors 90 Victoria Street Bristol BS1 6DP
Accountants	Venthams Limited Summit House 12 Red Lion Square London WC1R 4QH

CAPEL HOUSE PROPERTY TRUST LIMITED

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Consolidated statement of financial position	9
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Company statement of changes in equity	13
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CAPEL HOUSE PROPERTY TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

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

F M Stafford Charles, MA, FCA, Chairman
J R Beard, ACA
O M C King, MRICS
H E S Knox, MA, LLM (appointed 9 February 2022)

Principal activity

The Group's activities are the acquiring of freehold office, retail, industrial and other business properties and land, for owning, letting and development.

CAPEL HOUSE PROPERTY TRUST LIMITED

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

Results and dividends

The turnover of the Group has fallen as set out below:-

	2022 £	2021 £
Rental income	4,273,893	4,553,045
Development income	41,940	-
Total turnover	<u>4,315,833</u>	<u>4,553,045</u>

The second lockdown, from January 2021 into the early months of the year under review, has had a further impact on the results. Rental income is down by 6% (2021 down by 19%). The consequences of the pandemic are still being noticed. In particular, there is a lack of demand for offices. As a snapshot, at the year end, circa 17% of the portfolio was unlet, resulting in the loss of rental income and with the rates liability for the empty space.

The Directors look to increase the "normal" profits each year which they define as profits excluding changes in investment property valuations, and profits or losses arising from property or land disposals. The table below provides a comparison of the "normal" profits over the last three years. The increase in the value of investment properties in the year of £8,905,000 included in the Consolidated Statement of Comprehensive Income does not impact on the company's cash position.

	2022 £	2021 £	2020 £
Profit/(Loss) before tax for the financial year (Page 8)	11,168,513	(5,532,381)	(3,441,129)
Fair value movements (Page 8 and Note 14)	(8,905,000)	7,415,000	9,860,577
(Profit)/Loss on sale of investment property (Page 8)	(7,009)	450,000	-
	<u>2,256,504</u>	<u>2,332,619</u>	<u>6,419,448</u>
Development profits	(30,995)	-	(2,837,218)
"Normal" profit before tax	<u>2,225,509</u>	<u>2,332,619</u>	<u>3,582,230</u>

During the year under review, normal dividends of £1,290,075 were paid (2021: £1,290,075) as shown in Note 11. When setting the dividend, the directors have regard to available cash, projected cashflows (including loan repayments), and future economic uncertainties.

Future developments

The Group has substantial cash reserves at the year end. The first instalments of the loan repayments commence imminently. As part of the review as to whether the Group is a going concern, the Directors are comfortable that debts can be paid as they fall due, for the foreseeable future.

The Directors are seeking investments. However, there is strong demand for good investments leading to low yields.

CAPEL HOUSE PROPERTY TRUST LIMITED

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

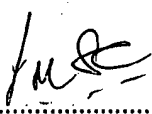
Auditors

The auditors, PKF Francis Clark, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 and signed on its behalf.


.....
F M Stafford Charles, MA, FCA, Chairman
Director

Date: 03/08/2022

CAPEL HOUSE PROPERTY TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPEL HOUSE PROPERTY TRUST LIMITED

Opinion

We have audited the financial statements of Capel House Property Trust Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

CAPEL HOUSE PROPERTY TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPEL HOUSE PROPERTY TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

CAPEL HOUSE PROPERTY TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPEL HOUSE PROPERTY TRUST LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the industry/sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the laws and regulations applicable to the company, reviewed certification identified on the company website and other communications and considered findings from previous audits.

The key laws and regulations we identified were employment, health and safety legislation, The General Data Protection Regulation ("GDPR") and The Code for Leasing Business Premises in England and Wales 2007

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily Companies Act 2006 and Corporation Taxes Acts 2009 & 2010.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deal with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.

Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance;
- Reviewed Board minutes;
- Examined regulatory inspection reports in relation to the key laws and regulations where such reports had been made during the period and after the period

We also evaluated management's incentives and opportunities for management bias, override of controls and manipulation of the financial statements. There are two key incentives identified. Firstly it is to manipulate revenue and we determined that the principal risks were related to the understatement of losses via overstating revenue. Secondly the manipulation of property valuations by overstating their value. To address the risk, we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

CAPEL HOUSE PROPERTY TRUST LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPEL HOUSE PROPERTY TRUST
LIMITED (CONTINUED)**

- Undertook specific cut-off procedures in respect of revenue around the year end.
- We reviewed the external valuation reports and key assumptions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Putnam (Senior statutory auditor)

for and on behalf of
PKF Francis Clark

Chartered Accountants and Statutory Auditors

90 Victoria Street
Bristol
BS1 6DP
Date: 03/08/2022

CAPEL HOUSE PROPERTY TRUST LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	4,315,833	4,553,045
Cost of sales		(971,561)	(920,368)
Gross profit		3,344,272	3,632,677
Administrative expenses		(299,350)	(388,057)
Profit/(loss) on disposal of fixed assets		7,009	(450,000)
Other operating income	5	11,635	11,223
Fair value movements		8,905,000	(7,415,000)
Operating profit/(loss)	6	11,968,566	(4,609,157)
Interest receivable and similar income	9	2,447	3,294
Interest payable and similar expenses	10	(802,500)	(926,518)
Profit/(loss) before taxation		11,168,513	(5,532,381)
Tax (charge)/credit	12	(1,984,642)	1,028,559
Profit/(loss) for the financial year		9,183,871	(4,503,822)
 Total comprehensive income for the year		 9,183,871	 (4,503,822)
 Profit/(Loss) for the year attributable to:			
Owners of the parent Company		9,183,871	(4,503,822)
		9,183,871	(4,503,822)

The notes on pages 15 to 29 form part of these financial statements.

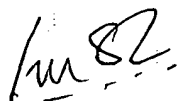
The income statement has been prepared on the basis that all operations are continuing operations.

The Directors draw your attention to the "Results and dividends" section of their report on page 2.

CAPEL HOUSE PROPERTY TRUST LIMITED
REGISTERED NUMBER:00055030
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investment property	14	99,585,002	90,850,002
		<u>99,585,002</u>	<u>90,850,002</u>
Current assets			
Debtors	15	3,599,069	4,559,516
Cash at bank and in hand	16	8,393,781	6,805,284
		<u>11,992,850</u>	<u>11,364,800</u>
Creditors: amounts falling due within one year	17	(2,004,586)	(1,675,476)
Net current assets		<u>9,988,264</u>	<u>9,689,324</u>
Total assets less current liabilities		<u>109,573,266</u>	<u>100,539,326</u>
Creditors: amounts falling due after more than one year	18	(14,395,295)	(14,781,227)
Provisions for liabilities			
Deferred taxation	21	(2,578,912)	(1,052,836)
		<u>(2,578,912)</u>	<u>(1,052,836)</u>
Net assets		<u><u>92,599,059</u></u>	<u><u>84,705,263</u></u>
Capital and reserves			
Called up share capital	22	172,010	172,010
Capital redemption reserve	23	138,490	138,490
Investment property fair value reserve	23	65,636,317	50,386,428
Profit and loss account	23	26,652,242	34,008,335
		<u><u>92,599,059</u></u>	<u><u>84,705,263</u></u>

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



Date: 03/08/2022

.....
F M Stafford Charles, MA, FCA, Chairman
 Director

The notes on pages 15 to 29 form part of these financial statements.

CAPEL HOUSE PROPERTY TRUST LIMITED
REGISTERED NUMBER:00055030
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

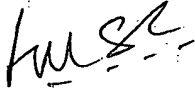
	Note	2022 £	2021 £
Fixed assets			
Investments	13	100	100
Investment property	14	99,585,002	90,850,002
		<u>99,585,102</u>	<u>90,850,102</u>
Current assets			
Debtors	15	2,686,505	3,675,738
Cash at bank and in hand	16	8,393,781	6,805,284
		<u>11,080,286</u>	<u>10,481,022</u>
Creditors: amounts falling due within one year	17	(1,990,697)	(1,665,266)
Net current assets		<u>9,089,589</u>	<u>8,815,756</u>
Total assets less current liabilities		<u>108,674,691</u>	<u>99,665,858</u>
Creditors: amounts falling due after more than one year	18	(14,395,295)	(14,781,227)
Provisions for liabilities			
Deferred taxation	21	(2,578,912)	(1,052,836)
		<u>(2,578,912)</u>	<u>(1,052,836)</u>
Net assets		<u><u>91,700,484</u></u>	<u><u>83,831,795</u></u>
Capital and reserves			
Called up share capital	22	172,010	172,010
Capital redemption reserve	23	138,490	138,490
Investment property fair value reserve	23	65,636,317	50,386,428
Profit and loss account	23	25,753,667	33,134,867
		<u><u>91,700,484</u></u>	<u><u>83,831,795</u></u>

CAPEL HOUSE PROPERTY TRUST LIMITED
REGISTERED NUMBER:00055030

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £9,158,764 (2021: £4,486,840 loss).

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



Date: 03/08/2022

.....
F M Stafford Charles, MA, FCA, Chairman
Director

The notes on pages 15 to 29 form part of these financial statements.

CAPEL HOUSE PROPERTY TRUST LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Capital redemption reserve	Investment property fair value reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	172,010	138,490	47,080,878	43,107,782	90,499,160
Comprehensive income for the year					
Loss for the year	-	-	-	(4,503,822)	(4,503,822)
Total comprehensive income for the year	-	-	-	(4,503,822)	(4,503,822)
Dividends: Equity capital	-	-	-	(1,290,075)	(1,290,075)
Investment property valuation	-	-	(7,415,000)	7,415,000	-
Realised loss on property disposal	-	-	1,550,000	(1,550,000)	-
Permanent diminution in value (Note 23)	-	-	7,700,832	(7,700,832)	-
Deferred tax movement	-	-	1,469,718	(1,469,718)	-
At 1 April 2021	172,010	138,490	50,386,428	34,008,335	84,705,263
Comprehensive income for the year					
Profit for the year	-	-	-	9,183,871	9,183,871
Total comprehensive income for the year	-	-	-	9,183,871	9,183,871
Dividends: Equity capital	-	-	-	(1,290,075)	(1,290,075)
Investment property revaluation	-	-	8,905,000	(8,905,000)	-
Permanent diminution in value (Note 23)	-	-	7,991,979	(7,991,979)	-
Deferred tax movement	-	-	(1,647,090)	1,647,090	-
At 31 March 2022	172,010	138,490	65,636,317	26,652,242	92,599,059

The notes on 15 - 29 form part of these financial statements.

CAPEL HOUSE PROPERTY TRUST LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Capital redemption reserve	Investment property fair value reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	172,010	138,490	47,080,878	42,217,332	89,608,710
Comprehensive income for the year					
Loss for the year	-	-	-	(4,486,840)	(4,486,840)
Total comprehensive income for the year	-	-	-	(4,486,840)	(4,486,840)
Dividends: Equity capital	-	-	-	(1,290,075)	(1,290,075)
Investment property revaluation	-	-	(7,415,000)	7,415,000	-
Realised loss on property disposal	-	-	1,550,000	(1,550,000)	-
Permanent diminution in value (note 23)	-	-	7,700,832	(7,700,832)	-
Deferred tax movement	-	-	1,469,718	(1,469,718)	-
At 1 April 2021	172,010	138,490	50,386,428	33,134,867	83,831,795
Comprehensive income for the year					
Profit for the year	-	-	-	9,158,764	9,158,764
Total comprehensive income for the year	-	-	-	9,158,764	9,158,764
Dividends: Equity capital	-	-	-	(1,290,075)	(1,290,075)
Investment property revaluation	-	-	8,905,000	(8,905,000)	-
Permanent diminution in value (note 23)	-	-	7,991,979	(7,991,979)	-
Deferred tax movement	-	-	(1,647,090)	1,647,090	-
At 31 March 2022	172,010	138,490	65,636,317	25,753,667	91,700,484

The notes on pages 15 to 29 form part of these financial statements.

CAPEL HOUSE PROPERTY TRUST LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit/(loss) for the financial year	9,183,871	(4,503,822)
Adjustments for:		
(Gain)/Loss on disposal of tangible assets	(7,009)	450,000
Interest charge	802,500	926,518
Interest received	(2,447)	(3,294)
Refinancing costs	14,065	14,065
Taxation charge/(credit)	1,984,643	(1,028,559)
Decrease in debtors	946,383	2,259,754
(Decrease) in creditors	(97,686)	(1,218,869)
Net fair value (gains)/losses recognised in P&L	(8,905,000)	7,415,000
Corporation tax (paid)	(417,704)	(941,403)
Net cash generated from operating activities	3,501,616	3,369,390
Cash flows from investing activities		
Sale of investment properties	177,009	500,000
Interest received	2,447	3,294
Net cash from investing activities	179,456	503,294
Cash flows from financing activities		
Repayment of loans	-	(2,603,061)
Dividends paid	(1,290,075)	(1,290,075)
Interest paid	(802,500)	(926,518)
Net cash used in financing activities	(2,092,575)	(4,819,654)
Net increase/(decrease) in cash and cash equivalents	1,588,497	(946,970)
Cash and cash equivalents at beginning of year	6,805,284	7,752,254
Cash and cash equivalents at the end of year	8,393,781	6,805,284
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,393,781	6,805,284
	8,393,781	6,805,284

The notes on pages 15 to 29 form part of these financial statements.

CAPEL HOUSE PROPERTY TRUST LIMITED

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

1. General information

Capel House Property Trust Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Queens House, 55/56 Lincoln's Inn Fields, London, WC2A 3LJ.

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 Company's functional and presentational currency is the pound sterling.

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 Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiary undertaking ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Turnover

Turnover comprises rental and service charge income and development income, exclusive of Value Added Tax.

Accounting standards require that rental income from an operating lease should be recognised on a straight-line basis over the period of the lease, even if the payments are not made on such a basis.

Development income is recognised following the exercise of options under the Option and Development Agreement, being an appropriate proportion of the likely proceeds, discounted on a time basis, in accordance with the Generally Accepted Accounting Principles. The income is recognised regardless of timing of cash receipts. Development income also includes the reversal of financial discounts relating to the development property which is caused by changes in timing of the income recognition. The directors consider that it is more appropriate to include the reversal of financial discounts in turnover.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

CAPEL HOUSE PROPERTY TRUST LIMITED

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

2. Accounting policies (continued)

2.5 Investment properties

Investment properties are included in the Statement of Financial Position at their fair value and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the Company and the Group.

Land and buildings held as investments and for non-specialised development are included in the accounts at Market Value, as defined within the RICS Valuation – Global Standards.

Property acquisitions and disposals are accounted for when legally binding contracts, which are irrevocable and unconditional, are exchanged.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Debtors 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.

2.7 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.

2.8 Financial instruments

The Group 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is

CAPEL HOUSE PROPERTY TRUST LIMITED

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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

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.

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable.

2.13 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of Financial Position.

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year 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 reporting date in the countries where the Company and the Group operate and generate income.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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.

Significant areas of estimation are:

Investment properties are stated at fair value as referred to in note 2.5. The Company uses external valuers to determine the relevant amounts as set out in note 14.

The directors continually review the recoverability of debtors and provision is made where there is uncertainty about recovery.

CAPEL HOUSE PROPERTY TRUST LIMITED

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

4. Analysis of turnover

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

	2022 £	2021 £
Rental income (see below)	4,273,893	4,553,045
Development income	41,940	-
	<u>4,315,833</u>	<u>4,553,045</u>

All turnover arose within the United Kingdom.

Rental income

	2022 £	2021 £
Rents Receivable	4,533,604	4,725,668
Lease incentive adjustments - leases granted in the year	(37,802)	(52,928)
Lease incentive adjustments - leases granted in prior years	(221,909)	(119,695)
	<u>4,273,893</u>	<u>4,553,045</u>

5. Other operating income

	2022 £	2021 £
Government grants	11,635	11,223
	<u>11,635</u>	<u>11,223</u>

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	16,500	16,500
- The audit of the Group's subsidiaries pursuant to legislation	2,500	5,000
- Taxation compliance services	4,275	2,046
	<u></u>	<u></u>

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Employees

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Directors and employees	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	176,584	171,457
Social security costs	10,469	9,981
	<u>187,053</u>	<u>181,438</u>

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	88,334	85,000
	<u>88,334</u>	<u>85,000</u>

9. Interest receivable

	2022 £	2021 £
Bank interest receivable	826	3,167
Other interest receivable	1,621	127
	<u>2,447</u>	<u>3,294</u>

CAPEL HOUSE PROPERTY TRUST LIMITED

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

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	802,500	925,822
Other interest payable	-	696
	<u>802,500</u>	<u>926,518</u>

11. Dividends

	2022 £	2021 £
First interim (55p per share; 2021 55p per share)	946,055	946,055
Second interim (20p per share; 2021 20p per share)	344,020	344,020
	<u>1,290,075</u>	<u>1,290,075</u>

CAPEL HOUSE PROPERTY TRUST LIMITED

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

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	458,566	437,463
Adjustments in respect of previous periods	-	3,696
Total current tax	458,566	441,159
Deferred tax		
Charge/(credit) on movement in investment property fair value gains	1,526,076	(1,469,718)
Total deferred tax	1,526,076	(1,469,718)
Taxation charge/(credit) on profit/(loss) on ordinary activities	1,984,642	(1,028,559)

Factors affecting tax charge for the year

The tax assessed for the year 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/(loss) on ordinary activities before tax	11,168,513	(5,532,380)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	2,122,017	(1,051,152)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,256	6,322
Fixed asset timing differences	(120,984)	-
Deferred tax not recognised	8,574	(12,057)
Adjustments to tax charge in respect of prior periods	-	3,696
Short term timing difference leading to an increase (decrease) in taxation	(30)	-
Loss on disposal of investment property	(1,332)	85,500
Adjustment in respect of fair value movement	(1,691,949)	1,408,850
Charge/(credit) on movement in investment property fair value gains	1,647,090	(1,469,718)
Total tax charge/(credit) for the year	1,984,642	(1,028,559)

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	100
At 31 March 2022	100
Net book value	
At 31 March 2022	100
At 31 March 2021	100

Shares in subsidiary undertaking

At 31 March 2022, the Company owned all of the issued share capital of Monksmoor Developments Limited, a private company incorporated in England and Wales. Its registered office is Queens House, 55/56 Lincoln's Inn Fields, London, WC2A 3LJ. The principal activity is property development.

A summary balance sheet as at 31 March 2022 is shown below:

	2022 £	2021 £
Trade debtors	1,193,016	2,411,464
Accruals	(8,000)	(10,209)
Corporation tax and social security	(5,889)	-
Amounts due to parent company	(280,452)	(1,527,686)
Net Assets	898,675	873,569
Share capital	100	100
Profit and loss account	898,575	873,469
Shareholders' Funds	898,675	873,569

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Investment properties

Group and Company

	Freehold investment properties £
Valuation	
At 1 April 2021	90,850,002
Disposals	(170,000)
Surplus on revaluation	8,905,000
At 31 March 2022	99,585,002

The Company's properties were valued by R Stafford Charles & Son Limited, Surveyors (External Valuers), on the basis of Market Value at 31 March 2022. The valuations are in accordance with RICS Valuations - Global Standards except for some minor departures in connection with the relationship with R Stafford Charles & Son Limited. These departures do not affect the amount of the Valuations.

	2022 £	2021 £
Investment property fair value reserve		
At 1 April 2021	50,386,428	47,080,878
Surplus/(deficit) on revaluation	8,905,000	(7,415,000)
Permanent diminution in value (note 23)	7,991,979	7,700,832
Disposals	-	1,550,000
Deferred taxation	(1,647,090)	1,469,718
At 31 March 2022	65,636,317	50,386,428

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Trade debtors	-	1,193,016	-	-
Prepayments and accrued income	385,948	311,980	385,948	311,980
	<u>385,948</u>	<u>1,504,996</u>	<u>385,948</u>	<u>311,980</u>
Due within one year				
Trade debtors	1,724,787	1,658,352	531,771	441,492
Amounts owed by group undertakings	-	-	280,452	1,527,686
Other debtors	1,344,166	1,243,882	1,344,166	1,242,294
Prepayments and accrued income	144,168	152,286	144,168	152,286
	<u>3,599,069</u>	<u>4,559,516</u>	<u>2,686,505</u>	<u>3,675,738</u>

There are no formal terms attaching to the amounts owed by group undertakings.

16. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	8,393,781	6,805,284	8,393,781	6,805,284
	<u>8,393,781</u>	<u>6,805,284</u>	<u>8,393,781</u>	<u>6,805,284</u>

17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	385,934	-	385,934	-
Trade creditors	3,950	67,786	3,950	67,786
Corporation tax	178,325	137,463	172,436	137,463
Other taxation and social security	213,477	149,213	213,477	149,213
Other creditors	93,861	27,492	93,862	27,492
Accruals and deferred income	1,129,039	1,293,522	1,121,038	1,283,312
	<u>2,004,586</u>	<u>1,675,476</u>	<u>1,990,697</u>	<u>1,665,266</u>

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	14,395,295	14,781,227	14,395,295	14,781,227
	14,395,295	14,781,227	14,395,295	14,781,227

19. Loans

Bank loans are secured upon the Group's investment properties at an interest rate of 5.35%.

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	385,934	-	385,934	-
	385,934	-	385,934	-
Amounts falling due 2-5 years				
Bank loans	3,143,737	2,743,737	3,143,737	2,743,737
	3,143,737	2,743,737	3,143,737	2,743,737
Amounts falling due after more than 5 years				
Bank loans	11,251,558	12,037,490	11,251,558	12,037,490
	11,251,558	12,037,490	11,251,558	12,037,490
	14,781,229	14,781,227	14,781,229	14,781,227

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>2,906,483</u>	<u>4,079,598</u>	<u>1,993,920</u>	<u>3,197,408</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(14,886,837)</u>	<u>(14,981,113)</u>	<u>(14,886,837)</u>	<u>(14,981,113)</u>

Financial assets measured at amortised cost comprise trade debtors and amounts held by the managing agents. The company's financial assets also include amounts due from the subsidiary company. All financial assets are basic instruments.

Financial liabilities measured at amortised cost comprise bank loans, accruals and trade creditors. All financial liabilities are basic instruments.

21. Deferred taxation

Group and Company

	2022 £	2021 £
At beginning of year	<u>(1,052,836)</u>	<u>(2,522,554)</u>
(Charged)/credited to the profit or loss	<u>(1,526,076)</u>	<u>1,469,718</u>
At end of year	<u><u>(2,578,912)</u></u>	<u><u>(1,052,836)</u></u>

The provision for deferred taxation is made up as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Fixed asset timing differences	120,984	-	120,984	-
Other short term timing difference	30	-	30	-
Deferred tax on investment property fair value gains	<u>(2,699,926)</u>	<u>(1,052,836)</u>	<u>(2,699,926)</u>	<u>(1,052,836)</u>
	<u><u>(2,578,912)</u></u>	<u><u>(1,052,836)</u></u>	<u><u>(2,578,912)</u></u>	<u><u>(1,052,836)</u></u>

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

22. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
1,720,100 (2021 -1,720,100) Ordinary shares of £0.10 each	172,010	172,010

23. Reserves

Capital redemption reserve

This capital redemption reserve records the nominal value of shares repurchased by the company.

Investment property fair value reserve

The investment property fair value reserve records the changes in the fair value of land and buildings net of deferred tax associated with the gains on the properties held. As these gains are non-distributable they are shown as a separate reserve to the profit and loss account. During the year the Company recognised the permanent diminution in value of ten of its retail properties totaling £7,991,979 (2021: seven of its retail properties totaling £7,700,832) via a transfer between this reserve and the profit and loss account.

Profit & loss account

The profit and loss account reserve comprises retained earnings, and reserves in respect of retained earnings are distributable reserves.

24. Receipts under operating leases

At 31 March 2022 the Group and the Company had future minimum lease receipts due under non-cancellable operating leases for each of the following periods:

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	3,545,872	3,743,264	3,545,872	3,743,264
Later than 1 year and not later than 5 years	9,241,116	9,269,764	9,241,116	9,269,764
Later than 5 years	3,524,827	3,025,881	3,524,827	3,025,881
	16,311,815	16,038,909	16,311,815	16,038,909

CAPEL HOUSE PROPERTY TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

25. Related party transactions

Throughout the year F M Stafford Charles was Chairman of R Stafford Charles & Son Limited, a company which acts as the Group's Managing Agents in accordance with a written agreement dated 12 June 2013 put in place on similar terms to these approved by the Members in the Annual General Meeting on 28 October 2003.

	2022 £	2021 £
The combined fees for these services and professional advice, including irrecoverable value added tax, charged to the group	384,958	441,719
The balance held in an interest bearing client account by R Stafford Charles & Son Limited at the end of the financial year	1,344,166	1,228,230
During the year the company leased property (at arms length) to R Stafford Charles & Son Limited at a rental charge of:	23,111	24,221

J R Beard's fees as a director of the company are paid to Haysmacintyre LLP, a firm in which he is a partner. O M C King's fee as a director of the company are paid to Savills plc; a firm in which he is a director.

26. Controlling party

In the opinion of the directors there is no one controlling party.

27. Covenant Deposits

The Group held deposits of £454,185 (2021: £637,897) on behalf of the tenants which are not included in the balance sheet. These amounts are not recognised as the Company and the Group do not have a right to the monies other than in the event of a default.

28. Directors' interest in shares in the company

	2022 £	2021 £
F M Stafford Charles Direct Beneficial Interest	144,550	144,550
J R Beard As Nominee	1	1
O M C King As Nominee	1	1
H E S Knox (appointed 9 February 2022) Direct Beneficial Interest	15,000	15,000

Dividends paid in the financial year are disclosed in note 11.