

REGISTERED NUMBER 00404958

**Strand Court Properties Limited**  
**Annual Report and Financial Statements**  
**For the year ended 31 August 2021**



**Strand Court Properties Limited**

**COMPANY INFORMATION**

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<b>DIRECTORS</b>	V Conti M Pescarolo P Steyaert
<b>SECRETARY</b>	H K Thandi
<b>REGISTERED OFFICE</b>	889 Greenford Road Greenford England UB6 0HE
<b>INDEPENDENT AUDITOR</b>	PricewaterhouseCoopers LLP 40 Clarendon Road Watford WD17 1JJ

## **Strand Court Properties Limited**

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**Strand Court Properties Limited**

**Strategic Report  
For the year ended 31 August 2021**

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The directors present their Strategic Report for the financial year ended 31 August 2021. The comparative information is for the financial year ended 31 August 2020.

**Principal activity**

Strand Court Properties Limited is a private limited Company incorporated and domiciled in the UK (England). The principal activity of the Company during the period was that of property investment, providing property for rent to Thomtons Limited. The Company will continue with these activities for the foreseeable future.

**Review of business and future developments**

The results of the financial year are shown in the Income statement on page 8. The directors regard the Company's operating performance and its financial position at the year-end as satisfactory and expect this situation to continue for the foreseeable future. Performance for the next 12 months is expected to be stable. The operating result for the financial year is £1,419,000 profit as compared to £1,363,000 profit in prior year. The loss for the financial year is £928,000 (2020: loss £600,000). The Company at the year-end held a net assets position of £22,798,000 (2020: net assets £23,726,000).

Covid-19 pandemic continued to spread across all EU countries and UK during financial year 2020/2021, putting a significant level of uncertainty in the economic environment. The Company mitigated the risk as it holds investment properties measured at historical cost, which has not been affected by the impact of Covid-19. Its revenue is generated solely from its Parent, Thomtons Limited.

**Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of its parent, Thomtons Limited and are not managed separately. The principal risks and uncertainties of Thomtons Limited are discussed within the Directors' report of the Annual Report of that company; risks are evaluated and managed on a continual basis.

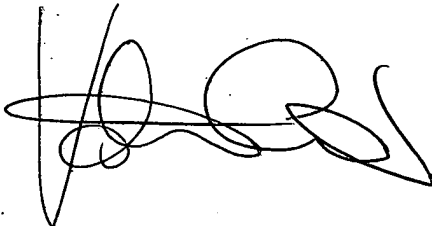
Since the Company operates as an investment property company, the specific risk faced by the company is the failure of Thomtons, not being able to honour the rental commitment due to insufficient funds. To ensure that sufficient funds are available for ongoing operations and rental commitments, Thomtons has access to a variety of borrowing facilities from its parent company and another Ferrero Group company, which reduces the failure risk exposure.

**Key Performance Indicators**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Approved by the Board and signed on its behalf by:

V Conti  
Director  
25 May 2022



## Strand Court Properties Limited

### Directors' Report For the year ended 31 August 2021

The directors present their annual report and audited financial statements for the financial year ended 31 August 2021. The comparative information is for the financial year ended 31 August 2020.

#### Directors

The directors of the company who served during the period and at the date of this report are shown below:

A Nervegna (resigned on 31 August 2021)  
P Steyaert (appointed on 1 September 2021)  
P Di Pietro (resigned on 31 December 2021)  
V Conti (appointed on 1 January 2022)  
M Pescarolo

#### Qualifying third party indemnity provisions

Qualifying third party indemnity insurance was provided to the directors and officers of the Company for the entire period covered by these Financial Statements and has continued to the date of approval of this report.

#### Dividends

During the year, the Company paid and recommended dividends of £nil (2020: £nil).

#### Going concern

The Company's principal source of income relies on the lease commitment with Thomtons Limited. As a consequence the company is dependent on financial support from its parent. The Directors of Thomtons Limited can assure to have access to financial support from Ferrero International S.A., the ultimate parent company. On the basis of this support and the current funding arrangements in place, the Directors consider that Thomtons Limited has adequate resources to continue in operational existence for the foreseeable future, even under uncertain conditions created by the Covid-19 outbreak, and is also able to meet the commitments with the Company. Thus, the Company continues to adopt the going concern basis in preparing the Company's annual financial statements.

#### Charitable and political contributions

During the financial year, the Company made no charitable contributions (2020: £nil). It is the policy of the Board not to make political donations and accordingly none were made in the financial year (2020: £nil).

#### Future developments and financial risk management

Future developments and financial risk management policies are set out in the strategic report and form part of this report by cross-reference.

#### Subsequent events following the reporting period end

No significant events have occurred between the reporting period end and the signing of these financial statements.

#### Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved, the directors have confirmed:

- so far as the directors are individually and collectively aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware; and
- they have each taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Independent Auditors

The independent Auditors, Pricewaterhousecoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General meeting.

#### Statement of Directors' Responsibilities with respect to the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

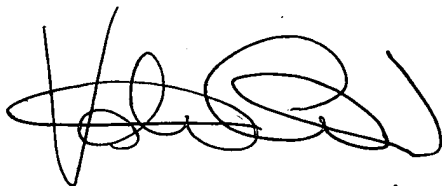
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

This report was approved by the board on 25 May 2022 and signed on its behalf by:

V Conti  
Director



# Independent auditors' report to the members of Strand Court Properties Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Strand Court Properties Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 August 2021; the Income Statement and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 August 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities with respect to the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

### 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 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non compliance with laws and regulations related to the financial statements e.g. Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to to posting inappropriate journal entries to revenue, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Identified and tested journal entries posted with unusual account combinations;
- Challenged assumptions and judgements made by management in their significant accounting estimates;
- Reviewed minutes of meetings of the Board of Directors;
- Discussed with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Designed audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 10 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

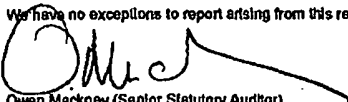
## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

  
Owen Mackney (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Welford

26 May 2022

**Strand Court Properties Limited**

**Income Statement  
For the year ended 31 August 2021**

	Note	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Turnover	4	2,194	2,194
Administrative expenses		(775)	(831)
<b>Profit before taxation</b>	6	<b>1,419</b>	<b>1,363</b>
Tax on profit	7	(2,347)	(1,963)
<b>Loss for the financial year</b>		<b>(928)</b>	<b>(600)</b>

Loss before tax is derived from continuing operations.

There are no items of other comprehensive income in the year other than shown above. No separate statement of comprehensive income has therefore been presented.



**Strand Court Properties Limited**

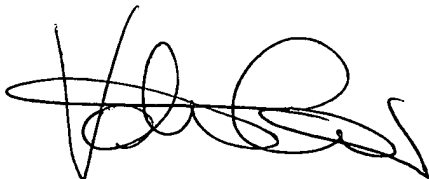
**Statement of Financial Position  
As at 31 August 2021**

	Note	31 August 2021 £'000	31 August 2020 £'000
<b>Non-current assets</b>			
Investment property	8	17,692	18,468
<b>Current assets</b>			
Trade and other receivables	9	7,623	7,569
Cash and cash equivalents		108	108
		7,731	7,677
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	10	(2,178)	(2,036)
<b>Net current assets</b>		5,553	5,641
<b>Non-current liabilities</b>			
Deferred tax liabilities	11	(447)	(383)
<b>Net assets</b>		22,798	23,726
<b>Capital and reserves</b>			
Called up share capital	12	23,001	23,001
(Accumulated losses)/Retained Earnings		(203)	725
<b>Shareholder's funds</b>		22,798	23,726

The notes on pages 11 to 19 are an integral part of these financial statements.

The Financial Statements of Strand Court Properties Limited (registered number 00404958) set out on pages 8 to 19 were approved by the board of directors and authorised for issue on 25 May 2022. They were signed on its behalf by:

V Conti  
Director



**Strand Court Properties Limited**

**Statement of Changes in Equity  
For the year ended 31 August 2021**

	Ordinary shares £'000	(Accumulated losses)/ Retained earnings £'000	Total Shareholders equity £'000
At 31 August 2019	23,001	1,325	24,326
Loss for the financial year	-	(600)	(600)
At 31 August 2020	23,001	725	23,726
Loss for the financial year	-	(928)	(928)
At 31 August 2021	23,001	(203)	22,798

**Strand Court Properties Limited**

**Notes to the Financial Statements  
For the year ended 31 August 2021**

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**1 General Information**

Strand Court Properties Limited ("the Company"), is a private limited company incorporated and domiciled in the UK. The address of the Company's registered office is 889 Greenford Road, Greenford, Middlesex, UB6 0HE.  
The principal activity of the Company during the period was that of property investment, providing property for rent to Thomtons Limited.

These financial statements are presented in pound sterling because this is the currency of the primary economic environment in which the Company operates.

Note 16. Controlling party, gives details of the Company's parent and from where its consolidated Financial Statements, prepared in accordance with IFRS, may be obtained.

The reporting period is for the financial year from September 1, 2020 to August 31, 2021. The comparative information is for the financial year ended at August 31, 2020.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

**Adoption of new and revised Standards**

**New standards, amendments and Interpretations adopted during the financial year**

*Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions.* The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The Amendment is applicable for annual reporting periods beginning on or after 1 June 2020.

*Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2.* These amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The amendments are applicable for annual reporting periods beginning on or after 1 January 2021.

*Amendments to IAS 16 Property, Plant and Equipment.* The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are applicable for annual reporting periods beginning on or after 1 January 2022.

*Amendments to IAS 37 Onerous Contracts.* The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

*Annual Improvements 2018-2020* make amendments to the following standards:

- IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

*Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021.* The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The apply for annual reporting periods beginning on or after 1 April 2021.

**2 Significant accounting policies (Continued)**

**New standards, amendments and interpretation not yet adopted**

*Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.* The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.

*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies.* The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. These amendments will be applicable for Annual reporting periods beginning on or after 1

*Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.* The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. These amendments will be applicable for Annual reporting periods beginning on or after 1 January 2023.

*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.* The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. These amendments will be applicable for Annual reporting periods beginning on or after 1 January 2023.

**Strand Court Properties Limited**

**Notes to the Financial Statements (Continued)**  
**For the year ended 31 August 2021**

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**2 Significant accounting policies (Continued)**

**Basis of preparation**

The Financial Statements of Strand Court Properties Limited have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

The Financial Statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of Financial Statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 3. Sources of estimation uncertainty and critical accounting judgements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these Financial Statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of Financial Statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment'; and
  - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliation between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of Financial Statements':
  - 10(d), (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies and changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

**Strand Court Properties Limited**

**Notes to the Financial Statements (Continued)**  
**For the year ended 31 August 2021**

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**2 Significant accounting policies (Continued)**

**Going concern**

The Company's principal source of income relies on the lease commitment with Thorntons Limited. As a consequence the company is dependent on financial support from its parent. The Directors of Thorntons Limited can assure to have access to financial support from Ferrero International S.A., the ultimate parent company. On the basis of this support and the current funding arrangements in place, the Directors consider that Thorntons Limited has adequate resources to continue in operational existence for the foreseeable future, even under uncertain conditions created by the Covid-19 outbreak, and is also able to meet the commitments with the Company. Thus, the Company continues to adopt the going concern basis in preparing the Company's annual financial statements.

**Turnover**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for rental income stated net of value added tax. The company recognises revenue when the performance obligations have been satisfied and for when the Company has made available the property to the lessee.

Revenue represents rental income from operating leases, recognised on a straight-line basis over the period of the lease at current rental levels. All income arose in the United Kingdom.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The current tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Leases**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

**Financial assets**

The Company recognises a financial asset in its statement of financial position when it becomes party of the contractual provisions of the instrument. Regular way purchase or sale of Financial assets is determined using trade date accounting or settlement date accounting. At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset, then classifies a financial assets based on business model adopted to manage the financial asset and the contractual cash flow characteristics of the financial asset. A financial asset can be then subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold the asset to collect the associated contractual cash flows and the contractual terms of the asset give rise on specific dates to cash flows, which are payment of the principal and interests on the related outstanding amount only.

A financial asset is measured at fair value through other comprehensive income if the asset is held for collecting contractual cash flows and selling the financial assets and the terms of the assets give rise on specific dates to cash flows, which are payment of the principal and interests on the outstanding amount.

**2 Significant accounting policies (Continued)**

**Financial liabilities**

The Company recognises a financial liability in its statement of financial position when the company becomes party of the contractual provisions of the instrument. Financial liabilities are classified based on business model adopted to manage the financial liability and the contractual cash flow characteristics of that financial liability.

At initial recognition, the Company measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss, derivative liabilities and other peculiar cases mentioned in IFRS 9, which are subsequently measured at fair value.

For financial liabilities subsequently measured at amortised cost, the Company uses the effective interest method, with interest expense recognised on an effective yield basis. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company can also, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when permitted by IFRS 9 or when doing so results in more relevant information, because either it eliminates or significantly reduces a measurement or recognition inconsistency.

For liabilities designated as at fair value through profit or loss, the company will present a gain or loss on a financial liability as follows:

(a) The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability will be presented in other comprehensive income, and

(b) the remaining amount of change in the fair value of the liability will be presented in profit or loss; unless the treatment of the effects of changes in the liability's credit risk described in (a) would create or enlarge an accounting mismatch in profit or loss.

If the treatment described above would create or enlarge an accounting mismatch in profit or loss, the Company needs to present all gains or losses on that liability."

**Impairment of non-financial assets**

Non-financial assets that are not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds (net of disposal costs) with the carrying amount and are recognised within operating expenses in the Income Statement.

**Trade debtors**

Trade debtors are amounts due from customers, third party or related company, for goods and services in the ordinary course of business, classified as current as all are expected to be received within one year. Trade receivables are unsecured and interests free, usually repayable within 30 days.

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost less allowances. A provision for doubtful trade debtors is calculated by applying the IFRS 9 simplified approach to measure expected credit losses, which combines the group customer rating and the ageing range defined. The group customer rating is elaborated considering the insurance buyer grade and the local past trading experience and future expectations.

**Cash and cash equivalents**

Cash at bank includes cash in hand, deposits on call with banks, other short-term liquid investments with maturities of three months or less and bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position if there is no right of offset.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, classified as current as all are expected to be received within one year.

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Strand Court Properties Limited**

**Notes to the Financial Statements (Continued)**  
**For the year ended 31 August 2021**

**2 Significant accounting policies (Continued)**

**Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is initially measured at cost, including transaction costs. The Company has then adopted the cost model as accounting policy, so investment property is stated at its historical cost less depreciation at the balance sheet date. Historical cost includes expenditure that is directly attributable to the acquisition of the assets and to bring it to the location and condition needed for it to operate in the manner intended by management.

Land and assets in the course of construction are not depreciated. Other tangible fixed assets are depreciated to write their cost down to residual value over their remaining useful lives by equal annual instalments as follows:

- Long leasehold and freehold premises - 50 years

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds, when applicable.

**3 Sources of estimation uncertainty and critical accounting judgements**

The preparation of Financial Statements in conformity with FRS 101 requires management to make estimates and assumptions. Actual results could differ from these estimates. Information about such judgements and estimates is contained in note 2. Significant Accounting policies and below. Also, further details can be found in the notes commenting the Financial Statements captions.

(i) Carrying value of the fixed assets.

An impairment test is conducted on the value of the land and buildings owned by the Company on an annual basis. As the property is not comparable to any other marketable property, the evaluation requires professional input from qualified surveyors. Despite the impacts of Covid-19 on commercial and industrial properties market, land and buildings were not impaired during financial year 2020/2021 as the site was fully operating and being a manufacturing site, it created value for Thomtons Limited.

**4 Turnover**

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Rental income	2,194	2,194

All the income derived from the UK.

**5 Auditors' remuneration**

Fees payable to PricewaterhouseCoopers LLP and their associates for the audit of the Company's annual financial statements were £2,500 (2020: £2,400). These fees were borne by another group company and were not recharged back to the Company.

There are no other fees payable to the company's auditor.

**6 Profit before taxation**

Profit before taxation includes mainly the following administrative expenses:

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Depreciation cost of investment property	776	831



Strand Court Properties Limited

Notes to the Financial Statements (Continued)  
For the year ended 31 August 2021

7 Tax on profit

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Corporation tax charge	2,283	1,904
Deferred tax (note 11)	64	59
<b>Total tax charge for the year</b>	<b>2,347</b>	<b>1,963</b>

The tax charge for financial year 2020/2021 is higher than the standard rate of corporation tax in the UK of 19%, as well as in financial year 2019/2020 (standard rate of corporation tax of 19%). The differences are explained below:

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Profit before taxation	1,419	1,363
Tax on profit at standard rate of 19% (2020: 19%)	270	259
Expenses non-deductible for tax purposes	121	124
Adjustment in respect of prior years	85	(110)
Effect of rate change on deferred tax balances	114	41
Group relief payable at 100%	1,764	1,649
Difference between deferred and current tax rates	(7)	-
<b>Total tax charges</b>	<b>2,347</b>	<b>1,963</b>

Strand Court Properties Limited

Notes to the Financial Statements (Continued)  
For the year ended 31 August 2021

8 Investment property

	£'000
Cost at 31 August 2020 and 31 August 2021	38,193
Accumulated depreciation at 31 August 2020	19,725
Charge for the period	776
Accumulated depreciation at 31 August 2021	20,501
Net book value at 31 August 2021	17,692
Net book value at 31 August 2020	18,468

9 Trade and other receivables

	31 August 2021 £'000	31 August 2020 £'000
Amounts due from undertaking	7,623	7,569

The above amounts relate to rent receivables due from related parties with no previous defaults.

10 Creditors: Amounts falling due within one year

	31 August 2021 £'000	31 August 2020 £'000
Corporation tax	2,178	2,036

11 Deferred tax liabilities

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2020: 19%). The increase of the corporate income tax rate was announced and enacted in the Finance Act 2021 and will be applicable from April 2023. The movement on the deferred tax account is shown below:

	31 August 2021 £'000	31 August 2020 £'000
At beginning of year	383	324
Charged to the Income Statement	64	59
At end of year	447	383

The deferred tax liabilities breakdown by nature is as follows:

	31 August 2021 £'000	31 August 2020 £'000
Accelerated capital allowances	416	359
Other temporary differences	31	24
	447	383

**Strand Court Properties Limited**

**Notes to the Financial Statements (Continued)**  
**For the year ended 31 August 2021**

**12 Called up share capital**

	<b>31 August 2021 £'000</b>	<b>31 August 2020 £'000</b>
Authorised, issued and fully paid		
23,001,000 Ordinary shares at £1 (2020: 23,001,000)	<u><b>23,001</b></u>	<u><b>23,001</b></u>

**13 Lease receivables**

At the end of financial years 2020/2021 and 2019/2020, the Company had future minimum lease receivables under non-cancellable leases as per below:

	<b>31 August 2021 £'000</b>	<b>31 August 2020 £'000</b>
Not later than 1 year	<b>2,227</b>	<b>2,227</b>
Later than 1 year and not later than 5 years	<b>11,135</b>	<b>11,135</b>
Later than 5 years	<b>15,589</b>	<b>17,816</b>
	<u><b>28,951</b></u>	<u><b>31,178</b></u>

The Company has entered into a lease contract in respect of property for 25 years with another group company.

**14 Related party transactions**

The Company, as a qualifying entity, is exempt from disclosing related party transactions with companies that are wholly owned within the Ferrero group. There are no other related party transactions, except for the operating lease agreement disclosed in the note 13. Lease receivables.

**15 Staff costs and Directors' remuneration**

The Company has no employees other than the directors (2020: Nil). The directors received no emoluments for their services to the Company. Directors are remunerated by another UK based company part of the Ferrero Group and it is not practical to separately identify his service cost to the Company. These costs are not recharged to the Company.

**16 Controlling party**

The directors regard Thomtons Limited as the immediate parent company and Ferrero International S.A., a company incorporated in Luxembourg, as the ultimate parent company and controlling entity. This is the smallest and largest group of which the Company is a member and for which group financial statements are prepared. Its principal place of business is 16 Route de Trèves, L-2633, Senningerberg, Luxembourg and consolidated financial statements may be obtained from Tribunal d'Arrondissement Luxembourg, Registre de Commerce et des Sociétés de Luxembourg, BP 15, L-2010 Luxembourg.