Project Properties Limited

Company Number 01079428

Annual Report and Financial Statements - 30 April 2021

Project Properties Limited
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30 April 2021

Project Properties Limited
Corporate directory
30 April 2021

Directors	J M Sutton K Broom
Company secretary	N Wignall Jennings
Registered office	Gorsey Lane Widnes Cheshire WA8 0GG
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB
Bankers	HSBC Bank plc 99-101 Lord Street Liverpool Merseyside L2 6PG

Project Properties Limited
Directors' report
30 April 2021

The Directors present their report, together with the audited financial statements, on the Company for the year ended 30 April 2021.

Directors
The following persons were Directors of Project Properties Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

J M Sutton
K Broom

Principal activities
The principal activity of the Company is that of an investment property company.

Indemnity of Directors
The Company has indemnified the Directors of the Company for costs incurred, in their capacity as a Director, for which they may be held personally liable, except where there is a lack of good faith.

Disclosure of information to the auditors
So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow Directors and the company's auditors, each Director has taken all the steps that they are obliged to take as a Director in order to made themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' responsibilities statement
The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with FRS 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 profit or loss of the company for that year.

In preparing these financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors
The independent auditors PricewaterhouseCoopers LLP continue in office.

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

The Company has taken the exemption under section 414B of the Companies Act 2006 from preparing a Strategic Report.

Project Properties Limited
Directors' report
30 April 2021

This report is made in accordance with a resolution of Directors.

On behalf of the Directors

K Broom
Director

17th December 2021

Independent auditors' report to the members of Project Properties Limited

Report on the audit of the financial statements

Opinion

In our opinion, Project Properties Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 balance sheet as at 30 April 2021; the statement of comprehensive income 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 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.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 30 April 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 Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, 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 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 manipulation of the financial statements through fictitious journal postings. Audit procedures performed by the engagement team included:

- Obtained an understanding of the legal and regulatory framework applicable to the Company and how the Company is complying with that framework;
- Discussions with management including consideration of know or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

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. 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 16 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Kevin MacAllister (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

17 December 2021

Project Properties Limited
Statement of comprehensive income
For the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Turnover	4	499	559
Cost of sales		(86)	(75)
Gross profit		413	484
Expenses			
Administrative expenses		(165)	-
Gain on the revaluation of investment properties, net of tax		405	-
Profit before taxation		653	484
Taxation	7	(1)	-
Profit after taxation for the year		652	484
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		652	484

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Project Properties Limited
Balance sheet
As at 30 April 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	8	2,177	2,215
Investment properties	9	2,240	1,566
Total fixed assets		4,417	3,781
Current assets			
Debtors - amounts falling due within one year	10	50	-
Cash and cash equivalents	11	83	4
Total current assets		133	4
Current liabilities			
Creditors - amounts falling due within one year	12	754	934
Income tax	13	156	156
Accruals and deferred income	14	22	-
Total current liabilities		932	1,090
Net current liabilities		(799)	(1,086)
Total assets less current liabilities		3,618	2,695
Net assets before deferred tax liability		3,618	2,695
Deferred tax	15	271	-
Net assets		3,347	2,695
Equity			
Non-distributable reserves	17	1,311	906
Retained profits		2,036	1,789
Total equity		3,347	2,695

K Broom
Director

17th December 2021

The above balance sheet should be read in conjunction with the accompanying notes.

Project Properties Limited
Statement of changes in equity
For the year ended 30 April 2021

	Issued capital £'000	Non-distributable reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 May 2019	-	906	1,305	2,211
Profit after taxation for the year	-	-	484	484
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	484	484
Balance at 30 April 2020	-	906	1,789	2,695

	Issued capital £'000	Non-distributable reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 May 2020	-	906	1,789	2,695
Profit after taxation for the year	-	-	247	247
Gain on the revaluation of investment properties, net of tax	-	405	-	405
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	405	247	652
Balance at 30 April 2021	-	1,311	2,036	3,347

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1. General information

The financial statements cover Project Properties Limited as an individual entity. The financial statements are presented in Pound sterling, which is Project Properties Limited's functional and presentation currency.

Project Properties Limited is a company limited by shares, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is:

Gorsey Lane, Widnes, Cheshire, WA8 0GG.

2. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company will also continue to receive financial support from its parent company. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

While the scale, duration and impact of Covid-19 on the global economy and the Company remain uncertain, the Directors are of the opinion that the Company's cash flow from operations and available facilities will continue to satisfy the Company's working capital requirements for a period of at least twelve months from the date that these financial statements are approved.

Basis of preparation
These financial statements were prepared on a going concern basis in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of tangible assets and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of 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.

Turnover
Turnover is rental income from both external parties and intercompany recharges. It is recognised on an accruals basis.

Interest income
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

2. Accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash at bank and in hand includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Debtors
Trade receivables are measured at transaction price, less any impairment. Loans receivable are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

Investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss. The investment properties fair value is based on periodic, at least every 3 years, valuations by external independent valuers.

2. Accounting policies (continued)

Tangible assets
Tangible assets are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including in bringing the asset into location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of comprehensive income during the period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of tangible assets (excluding land) over their expected useful lives as follows:

Freehold land and buildings	2% - 10% per annum straight line basis

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of tangible assets is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment of non-financial assets
At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Creditors
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

Financial Instruments
The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtor and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2. Accounting policies (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at fair 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 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 financed at a rate that is not a market rate, or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

Exceptional items

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

Related party transactions

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group and, under FRS 102 Section 1A, is exempt from disclosing the compensation of key management personnel. There are no other related party transactions requiring disclosure.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

Investment property is measured at fair value and are revalued every third year. The revaluation process is carried out by a third party and is based on active market prices, adjusted if necessary for any difference in nature, location or condition of the specific asset.

4. Turnover

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

	2021 £'000	2020 £'000
Rental income	499	559

All turnover arose within the United Kingdom.

5. Employees

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

	2021 number	2020 number
Other	2	2

6. Directors' remuneration

Both of the directors are directors of other group companies and are remunerated through those companies, where their emoluments are disclosed. No remuneration was paid from the company. No recharge is made to this company and they did not receive any remuneration in respect of qualifying services to this company.

7. Taxation

	2021 £'000	2020 £'000
Corporation and deferred tax		
Current corporation tax	-	-
Deferred tax - prior year adjustment	1	-
Aggregate taxation	1	-

Factors affecting tax charge for the year
The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit before taxation	653	484
Tax at the statutory tax rate of 19%	124	92
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	45	14
Adjustments in respect of prior years	1	-
Income not taxable	(77)	-
Effect of group relief	(92)	(106)
Taxation	1	-

The corporation tax is calculated at 19% (2020: 19%) of the estimated assessable profit for the year. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2020 on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. Deferred taxes at the Statement of Balance Sheet date have been measured using these enacted rates and reflected in these financial statements.

The UK government announced on 3 March 2021 that the government are intending to increase the corporation tax rate from 19% to 25% from April 2023. As this rate was not substantively enacted at the Statement of Balance Sheet date it has not been used to calculate the deferred tax balances.

8. Tangible assets

	2021 £'000	2020 £'000
Freehold Land and Buildings - cost	4,447	4,400
Less: Accumulated depreciation	(2,270)	(2,185)
	2,177	2,215

8. Tangible assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Freehold land and buildings £'000
Balance at 1 May 2019	2,237
Additions	53
Depreciation expense	(75)
Balance at 30 April 2020	2,215
Additions	48
Depreciation expense	(86)
Balance at 30 April 2021	2,177

9. Investment properties

	2021 £'000	2020 £'000
Investment property	2,240	1,566

Valuations of investment properties
Investment property comprises wholly owned commercial properties. The fair value of the investment property has been arrived at on the basis on the valuation carried out in March 2021 by Jones Land LaSalle Chartered Surveyors, who are not connected with the Company and who have recent experience, in the location and with the class of investment properties, the company holds. The valuation was made on an open market value basis by reference to the market evidence of transaction prices for similar properties. On the basis of where the investment properties are situated, the directors do not consider that there has been any material change in this valuation as at 30 April 2021. There are no restrictions on the realisability of the investment properties or the remittance of income and proceeds of disposal.

The historic cost of the investment properties at the Balance Sheet date was £1,101,000 (2020: £1,101,000). There were no new additions, transfers, or disposals in the current or prior year. During the year, the investment properties held were revalued upwards by £674,000 (2020: £nil), based on the valuation carried out by Jones Land LaSalle Chartered Surveyors in March 2021.

10. Debtors - amounts falling due within one year

	2021 £'000	2020 £'000
Trade receivables	50	-

11. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank	83	4

12. Creditors - amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	733	934
Other taxation and social security	21	-
	754	934

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

13. Income tax

	2021 £'000	2020 £'000
Provision for income tax	156	156

14. Accruals and deferred income

	2021 £'000	2020 £'000
Accruals and deferred income	22	-

15. Deferred tax

Deferred tax liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021 £'000	2020 £'000
Deferred tax liability	271	-

The deferred tax liability recognised in the current year relates to the current year gain on the investment properties.

16. Called up share capital

	2021 Shares	2020 Shares	2021 £'000	2020 £'000
Ordinary shares £1.00 each - fully paid	100	100	-	-

17. Non-distributable reserves

	2021 £'000	2020 £'000
Brought forward gain on revaluation of investment properties, net of tax	906	906
Gain on revaluation of investment properties, net of tax	405	-
	1,311	906

This is the cumulative revaluation gains and losses in respect of investment properties, which is non-distributable.

Profit and loss account

The profit and loss account contains all current and prior year retained profit and loss, net of any distribution to owners.

18. Auditors' remuneration

Fees paid or payable to the Company's auditors for the audit of the Company's annual financial statements was £824 (2020: £300).

Fees payable to the Company's auditors for other services are disclosed in the consolidated financial statements of the Company's ultimate parent company, Thomas Cradley Group Holdings Limited.

19. Related party transactions

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group and, under FRS 102, is exempt from disclosing the compensation of key management personnel. There are no other related party transactions requiring disclosure.

20. Ultimate parent undertaking and controlling party

The immediate parent company is Thomas Cradley Holdings Limited, a company registered in England and Wales

The Company is ultimately wholly owned by Thomas Cradley Group Holdings Limited, a Company registered in England and Wales, which itself is owned by a series of trusts, with no single trust having a controlling interest. Members of the Sutton and Broadhurst families have beneficial interests through the trusts but no one family member has a controlling interest.

Thomas Cradley Group Holdings Limited prepares consolidated group financial statements and is the smallest and largest company in the group to do so. Copies can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.