

Project Properties Limited

Company Number 01079428

Annual Report and Unaudited Financial Statements - 30 April 2023

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Project Properties Limited
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Project Properties Limited
Corporate directory
30 April 2023

Directors	J M Sutton K Broom
Company secretary	N Wignall Jennings
Registered office	Gorsey Lane Widnes Cheshire WA8 0GG
Bankers	HSBC Bank plc 99-101 Lord Street Liverpool Merseyside L2 6PG

Project Properties Limited
Directors' report
30 April 2023

The Directors present their report, together with the unaudited financial statements, on the Company for the year ended 30 April 2023.

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.

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 (see note 2).

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.

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.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'K Broom', is written over a horizontal line.

K Broom
Director

21 November 2023

Project Properties Limited
Statement of comprehensive income
For the year ended 30 April 2023

	Note	2023 £'000	2022 £'000
Turnover	4	207	553
Cost of sales		-	(86)
Gross profit		207	467
Expenses			
Administrative expenses		(2)	(6)
Intercompany balance write-off		748	-
Operating profit		953	461
Interest receivable and similar income	7	7	1
Profit before taxation		960	462
Taxation	8	158	(85)
Profit after taxation for the year		1,118	377
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>1,118</u>	<u>377</u>

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

Project Properties Limited
Balance sheet
As at 30 April 2023

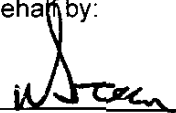
	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	9	-	2,091
Investment properties	10	-	2,240
Total fixed assets		-	4,331
Current assets			
Debtors	11	-	27
Cash at bank and in hand	12	167	307
Total current assets		167	334
Creditors - amounts falling due within one year	13	-	585
Net current assets/(liabilities)		167	(251)
Total assets less current assets/(liabilities)		167	4,080
Net assets before provisions and liabilities		167	4,080
Provisions and liabilities	14	-	356
Net assets		167	3,724
Equity			
Share capital	15	-	-
Non-distributable reserves	16	-	1,311
Retained profits		167	2,413
Total equity		167	3,724

For the financial year ending 30 April 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 5 to 15 were approved by the Board of Directors on 21 November 2023 and signed on its behalf by:


 K Broom
 Director

21 November 2023

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 2023

	Issued capital £'000	Non- distributable reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 May 2021	-	1,311	2,036	3,347
Profit after taxation for the year	-	-	377	377
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	377	377
Balance at 30 April 2022	-	1,311	2,413	3,724
	Issued capital £'000	Non- distributable reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 May 2022	-	1,311	2,413	3,724
Profit after taxation for the year	-	-	1,118	1,118
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,118	1,118
Transfer – see note 16	-	(1,311)	1,311	-
Dividends paid	-	-	(4,675)	(4,675)
Balance at 30 April 2023	-	-	167	167

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

Project Properties Limited
Notes to the financial statements
30 April 2023

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. Significant 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.

Basis of preparation

These unaudited financial statements were prepared on a basis other than going concern 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. This is because the company has ceased to trade. No balances have been impaired from changing the basis of preparation given the only balances held at the year end are cash at bank and in hand.

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.

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.

2. Significant accounting policies (continued)

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.

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 company. 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.

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
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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.

2. Significant accounting policies (continued)

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.

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.

2. Significant accounting policies (continued)

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:

	2023	2022
	£'000	£'000
Rental income	<u>207</u>	<u>553</u>

All turnover arose within the United Kingdom.

5. Employees

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

	2023	2022
Directors	<u>2</u>	<u>2</u>

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. Interest receivable and similar income

	2023 £'000	2022 £'000
Interest on bank deposits	<u>7</u>	<u>1</u>

8. Taxation

	2023 £'000	2022 £'000
<i>Corporation and deferred tax</i>		
Current corporation tax	(156)	-
Deferred tax	<u>(2)</u>	<u>85</u>
Aggregate taxation	<u>(158)</u>	<u>85</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19.49% (2022: 19%). The differences are explained below:

Profit before taxation	<u>960</u>	<u>462</u>
Tax at the statutory tax rate of 19.49% (2022: 19%)	187	88
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	1	15
Adjustments in respect of prior years	(1)	-
Tax rate change	-	86
Income not taxable	(77)	-
Effect of group relief	<u>(268)</u>	<u>(104)</u>
Taxation	<u>(158)</u>	<u>85</u>

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

Project Properties Limited
Notes to the financial statements
30 April 2022

9. Tangible assets

	2023 £'000	2022 £'000
Freehold Land and Buildings - cost	-	4,447
Less: Accumulated depreciation	-	(2,356)
	<u>-</u>	<u>2,091</u>

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 2021	2,177
Depreciation expense	<u>(86)</u>
Balance at 30 April 2022	2,091
Disposals	<u>(2,091)</u>
Balance at 30 April 2023	<u>-</u>

During the year the tangible fixed assets were sold to the immediate parent Company, Thomas Cradley Property Limited. The sales proceeds received were £2,091k which created no gain/(loss) on disposal.

10. Investment properties

	2023 £'000	2022 £'000
Investment property	<u>-</u>	<u>2,240</u>

During the year the investment properties were sold to the immediate parent Company, Thomas Cradley Property Limited. The sales proceeds received were £2,240k which created no gain/(loss) on disposal.

11. Debtors

	2023 £'000	2022 £'000
Trade receivables	<u>-</u>	<u>27</u>

12. Cash at bank and in hand

	2023 £'000	2022 £'000
Cash at bank	<u>167</u>	<u>307</u>

13. Creditors – amounts falling due within one year

	2023 £'000	2022 £'000
Amounts owed to group undertakings	-	394
Income tax	-	156
Accruals and deferred income	-	28
Other taxation and social security	-	7
	<u>-</u>	<u>585</u>

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

14. Provisions

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:

	2023 £'000	2022 £'000
Deferred tax liability	<u>-</u>	<u>356</u>

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:

The deferred tax liability in the prior year, relates to the gain on the investment properties.

15. Called up share capital

	2023 Shares	2022 Shares	2023 £'000	2022 £'000
Ordinary shares £1.00 each - fully paid	<u>100</u>	<u>100</u>	<u>-</u>	<u>-</u>

16. Non-distributable reserves

	2023 £'000	2022 £'000
Brought forward gain on revaluation of investment properties, net of tax	1,311	1,311
Transfer to distributable reserves upon sale on investment properties	<u>(1,311)</u>	<u>-</u>
	<u>-</u>	<u>1,311</u>

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. During the year, investment properties that had previously been revalued upwards, were sold. The non-distributable reserves created by the previous upwards revaluation were transferred to distributable reserves upon the sale of the investment properties.

17. 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.

18. Ultimate parent undertaking and controlling party

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

The Company is ultimately wholly owned by Thomas Cradley 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 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.