

Registered number: 02877191

PHP PROPERTY MANAGEMENT SERVICES LIMITED

UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



PHP PROPERTY MANAGEMENT SERVICES LIMITED

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PHP PROPERTY MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	H A Hyman R Howell C J Santer (resigned 31 March 2022)
Company secretary	P S K Wright (resigned 10 February 2023) T Newman (appointed 10 February 2023)
Registered number	02877191
Registered office	5th Floor, Burdett House 15-16 Buckingham Street London United Kingdom WC2N 6DU

PHP PROPERTY MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of PHP Property Management Services Limited (the "Company") during the year continued to be that of property management services.

Business review

The Annual Report for the year ended 31 December 2022 of the Company's ultimate parent undertaking, PHP, contains a fair review of its business and that of its subsidiaries (the "Group") and an indication of future developments, as required by section 417 of the Companies Act 2006 (the "Act"). It is incorporated into this report by reference.

Results and dividends

The profit for the year, after taxation, amounted to £nil (2021 - loss £1,158,345).

The loss for the year is to be transferred to reserves. The Directors have recommended that no dividend should be declared or paid during the year (2021 - £nil). There has been no dividend declared or paid after the year end.

Future developments

No significant business developments are anticipated in the foreseeable future.

Post balance sheet events

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

Going concern

The Directors have assessed the going concern position, focusing specifically on operations and cash flows of the Group and have a reasonable expectation the Company, together with the support of its ultimate parent, has adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements are authorised to be issued. Accordingly they continue to adopt the going concern basis on preparing the financial statements.

Principal risks and uncertainties

Directors have identified no specific risks affecting this entity. The Group wide principal risks and uncertainties and financial risk management objectives and policies are set out in the Annual Report of PHP pages 56-62, the ultimate parent undertaking, which does not form part of this report.

Directors

The Directors who served during the year were:

H A Hyman
R Howell
C J Santer (resigned 31 March 2022)

Directors' and Officers' Liability Insurance

PHP has procured Directors' and Officers' Liability Insurance for the benefit of its directors and directors of all of its subsidiaries. Such insurance was available throughout the year and remains in force at the date of this report. The cost of Directors' and Officers' Liability Insurance is met by another Group company.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with section 479a of the Companies Act 2006, the Company is exempt from the obligation to appoint auditors.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime and have taken the exemptions available under sections 414B and 415A of the Companies Act 2006.

This report was approved by the board on 25 August 2023 and signed on its behalf.



R Howell
Director

PHP PROPERTY MANAGEMENT SERVICES LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		3,516,914	3,287,485
Direct expenses		-	(1,707)
Gross profit		3,516,914	3,285,778
Administrative expenses		(3,516,674)	(4,443,876)
Operating profit/(loss)		240	(1,158,098)
Finance costs	5	(240)	(247)
Profit/(loss) before tax		-	(1,158,345)
Taxation	6	-	-
Profit/(loss) for the financial year		-	(1,158,345)

There were no recognised gains and losses for 2022 or 2021 other than those included in the income statement and hence a statement of total comprehensive income has not been prepared.

The notes on pages 7 to 15 form part of these financial statements.

PHP PROPERTY MANAGEMENT SERVICES LIMITED
REGISTERED NUMBER: 02877191

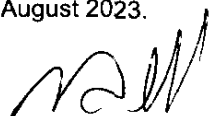
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Non-current assets			
Fixed assets	7	16,344	15,477
		16,344	15,477
Current assets			
Trade and other receivables	8	102,556	174,700
Cash at bank and in hand		96	7,045
Current liabilities		102,652	181,745
Trade and other payables	9	(1,277,336)	(1,355,562)
Net current liabilities		(1,174,684)	(1,173,817)
Total assets less current liabilities		(1,158,340)	(1,158,340)
Net liabilities		(1,158,340)	(1,158,340)
Equity			
Share capital	10	2	2
Retained earnings	11	(1,158,342)	(1,158,342)
Total equity attributable to the owners of the Company		(1,158,340)	(1,158,340)

For the financial year in question the Company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

The financial statement were approved and authorised for issue by the board and were signed on its behalf on 25 August 2023.



R Howell
Director

The notes on pages 7 to 15 form part of these financial statements.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2021	2	3	5
Loss for the year	-	(1,158,345)	(1,158,345)
Total comprehensive loss for the year	-	(1,158,345)	(1,158,345)
At 1 January 2022	2	(1,158,342)	(1,158,340)
Profit for the year	-	-	-
Total comprehensive profit for the year	-	-	-
At 31 December 2022	2	(1,158,342)	(1,158,340)

The notes on pages 7 to 15 form part of these financial statements.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

The Company is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales in accordance with the Companies Act 2006. These financial statements are presented in Sterling because that is the currency of the primary economic environment in which the Company operates.

The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 2 to 3. The Company's registered office is detailed on page 1.

The following accounting policies have been applied consistently in the current year unless otherwise stated.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance 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 (see Note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 Going concern

The Directors have assessed the going concern position, focusing specifically on operations and cash flows of the Group and have a reasonable expectation the Company, together with the support of its ultimate parent, has adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements are authorised to be issued. Accordingly they continue to adopt the going concern basis on preparing the financial statements.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

1. Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - 3 years straight line
Computer equipment - 3 years straight line

1.5 Dividends

Equity dividends are recognised when they become legally payable or receivable. Interim equity dividends are recognised when paid or received. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Dividends on preference shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.6 Financial instruments under IFRS9

Trade receivables

Trade receivables are recognised and carried at amortised cost as the Company's business model is to collect the contractual cash flows due from tenants. Provision is made based on the expected credit loss model which reflects on the Company's historical credit loss experience over the past three years but also reflects the lifetime expected credit loss.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and short term deposits, including any bank overdrafts, with an original maturity of three months or less, measured at amortised cost.

Trade and other payables

Trade payables are recognised and carried at their invoiced value inclusive of any VAT that may be applicable.

Bank loans and borrowings

All loans and borrowings are initially measured at fair value less directly attributable transaction costs. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest method. The interest due within the next twelve months is accrued at the end of the year and presented as a current liability within trade and other payables.

Borrowing costs

Borrowing costs that are separately identifiable and directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs the Company incurs in connection with the borrowing of funds.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

1. Accounting policies (continued)

1.7 De-recognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement;
- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset; or
- when the cash flows are significantly modified.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit and loss.

When the exchange or modification of an existing financial liability is not accounted for as an extinguishment, any costs or fees incurred adjust the liability’s carrying amount and are amortised over the modified liability’s remaining term and any difference in the carrying amount after modification is recognised as a modification gain or loss.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

1. Accounting policies (continued)

1.8 Fair value measurements

The Company measures certain non-financial assets such as investment property, at fair value at the end of each reporting period. Also, fair values of financial instruments measured at amortised cost are disclosed in the financial statements.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques at three levels that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	Valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

1.9 Revenue

Revenue is substantially derived from the provision of property asset management services on a *portfolio of properties*.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

1. Accounting policies (continued)

1.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.11 Finance income

Finance income is recognised in the income statement using the effective interest method.

1.12 Finance costs

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

1.13 Taxation

The Company is a member of a UK Group REIT. Taxation on the profit or loss for the period not exempt under UK-REIT regulations comprises current and deferred tax. Taxation is recognised in the Income Statement except to the extent that it relates to items recognised as direct movements in equity, in which case it is also recognised as a direct movement in equity.

Current tax is the expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.14 Impact of new international reporting standards, amendments and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make a number of estimates and judgements that affect the reported amounts of assets and liabilities and may differ from future actual results.

The estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management consider there to be no specific significant accounting estimates and judgements applicable to the Company.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

3. Employees

The average monthly number of employees, including directors, during the year was 53 (2021 - 52).

4. Directors' remuneration

The Directors of the Company have received no remuneration for their services to the Company during the year (2021 - £nil).

5. Finance costs

	2022 £	2021 £
Bank charges	240	247
	<u>240</u>	<u>247</u>

6. Taxation

	2022 £	2021 £
UK Corporation Tax	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	-	(1,158,345)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	-	(220,086)
Effects of:		
Transfer pricing adjustments	1,478	(2,565)
Loss relief	(1,478)	218,432
Non-taxable income	-	4,219
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

6. Taxation (continued)

The March 2021 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2021. These rates have been used to measure deferred tax assets and liabilities where applicable.

The March 2021 Budget announced that the rate will increase to 25% from 1 April 2023 for businesses with profits greater than £250,000.

7. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2022	7,050	10,635	17,685
Additions	-	9,549	9,549
At 31 December 2022	<u>7,050</u>	<u>20,184</u>	<u>27,234</u>
Depreciation			
At 1 January 2022	1,408	800	2,208
Charge for the year on owned assets	2,348	6,334	8,682
At 31 December 2022	<u>3,756</u>	<u>7,134</u>	<u>10,890</u>
Net book value			
At 31 December 2022	<u>3,294</u>	<u>13,050</u>	<u>16,344</u>

8. Trade and other receivables

	2022 £	2021 £
Amounts owed by group undertakings	-	116,234
Other debtors	98,904	54,555
Prepayments and accrued income	3,652	3,911
	<u>102,556</u>	<u>174,700</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

9. Trade and other payables

	2022 £	2021 £
Trade creditors	4,690	-
Amounts owed to group undertakings	1,110,107	-
PAYE/VAT due to HMRC	87,295	96,297
Accruals and deferred income	75,244	1,259,265
	<u>1,277,336</u>	<u>1,355,562</u>

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

10. Share capital

Shares classified as equity

	2022 £	2021 £
Issued, allotted, and fully paid		
2 (2021 - 2) Ordinary shares of £1	<u>2</u>	<u>2</u>

11. Retained earnings

	2022 £
As at 1 January	(1,158,342)
Profit for the year	-
As at 31 December	<u>(1,158,342)</u>

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Contributions payable by the Company to the pension scheme for the year amounted to £177,107 (2021 - £55,284). At the balance sheet date, there were outstanding contributions of £21,793 (2021 - £10,721).

13. Related party transactions

The Company has taken advantage of the exemption available in FRS 101 not to disclose transactions with other members of the Group on the basis that 100% of voting rights are controlled within the Group. The consolidated financial statements in which the Company is included are publicly available (see Note 14).

PHP PROPERTY MANAGEMENT SERVICES LIMITED

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

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking is PHP Tradeco Holdings Limited. The ultimate parent undertaking and the controlling party is Primary Health Properties PLC ("PHP"). PHP's registered address is 5th Floor, Burdett House, 15-16 Buckingham Street, London, United Kingdom, WC2N 6DU.

The parent undertaking of the smallest and largest group of undertakings for which Group financial statements are drawn up and of which the Company is a member is PHP. Copies of the financial statements of PHP can be obtained from Companies House or the Company Secretary or downloaded from www.phpgroup.co.uk.