

Company Registration No. 03364739 (England and Wales)

SANTON CAPITAL PLC AND SUBSIDIARIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

MONDAY



A8F3SGWA

A22

30/09/2019

#186

COMPANIES HOUSE

SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY INFORMATION

Directors	B S Sandhu R Patel
Secretary	R Patel
Senior management	V. Donnelly P Sandhu
Company number	03364739
Registered office	Santon House 53/55 Uxbridge Road Ealing London W5 5SA
Auditors	Gerald Edelman 73 Cornhill London EC3V 3QQ
Bankers	HSBC Bank PLC Level 2 8 Canada Square Canary Wharf London E14 5HQ Barclays Bank PLC Ashton house 497 Silbury Boulevard Milton Keynes MK29 2LD Julius Bar Barnofstrasse 36 P O Box CH-8010 Zurich Investec 2 Gresham Street London EC2V 7QP Bank of Scotland PLC The Mound Edinburgh EH1 1YZ

SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY INFORMATION

Solicitors

Linklaters LLP
One Silk Street
London
EC2Y 8HQ

Stephoe & Johnson
99 Gresham Street
London
EC2V 7NG

SANTON CAPITAL PLC AND SUBSIDIARIES

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Group Income statement	7
Group statement of comprehensive income	8
Group statement of financial position	9
Company statement of financial position	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 31

SANTON CAPITAL PLC AND SUBSIDIARIES

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Fair review of the business

The principal revenue of the Group during the year ended 31 March 2019 continued to be that from property development and sales. The Group has a growing property investment portfolio and equity investment portfolio; both listed and unlisted.

The Group's turnover decreased from £183 million in the year ended 31 March 2018 to £32 million for the year under review as a result of the decrease in the sale of developed properties. The operating profit decreased from £5 million to £1.7 million and profit before tax decreased from £4.8 million to £1 million.

As at 31 March 2019 stock of property, principally commercial, decreased substantially from £26.5 million to £1.9 million as a result of property disposals. The Group's total assets decreased from £66.3 million to £30.7 million as a result of property disposals; correspondingly group debt decreased from £35.0m to £5.0m and gearing reduced significantly.

The Group's property & other investments continued to perform well.

The directors consider the result for the year to be satisfactory.

Principal risks and uncertainties

The main risks and uncertainties continue to be related to general market conditions.

With the risk of no deal and uncertainty surrounding 'Brexit', it continues to have a negative impact on the markets. The general world economic outlook also remains problematic.

The Group will focus on expanding its investment and activities as it winds down its development activities. Any future development activities are likely to be undertaken on an opportunistic basis.

Key performance indicators

The management consider profit before tax and net assets as key performance indicators for the Group. Both were considered to be satisfactory.

Prospects

Prospects for the Group remain good but in an uncertain and volatile economic and geopolitical environment, nothing can be taken for granted.

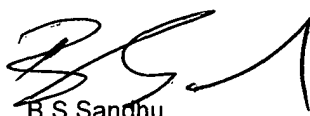
The Group's office investment in Ealing is likely to benefit significantly over the next few years from the impact of Crossrail. Ealing Broadway station is now expected to commence Crossrail services from March 2021, although there is a danger that date may be pushed back again. We would expect increases in rental levels post opening.

The Group's equity investment may be significantly impacted by macro-economic factors beyond its control.

The Group continues to see improving prospects for the holiday rental markets in Scotland, which should benefit The Highland Club development and assist in sales of units.

We will continue to look for property investment and private equity investments opportunities and opportunistic development projects.

On behalf of the board



Director

27 September 2019

SANTON CAPITAL PLC AND SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B S Sandhu
R Patel

Results and dividends

The results for the year are set out on page 7.

No dividends have been paid on the ordinary shares of the company (2018: £Nil).

Supplier payment policy

The Group's operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to suppliers are made in accordance with those terms provided that suppliers also comply with all relevant terms and conditions.

Political donations

The Group does not make any political donations and has never done so.

Charitable donations

During the year, the Group made direct charitable contributions of £3,150 (2018: £30,300).

The Santon Capital plc group provides offices, staff and administrative support to The Sandhu Charitable Foundation without charge. The director B S Sandhu is the founder and Trustee of the Foundation, which is the major conduit for the Sandhu family and Santon Group charitable activities. During the year the Foundation made charitable donations and commitments of £317,000 (2018: £314,000).

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

SANTON CAPITAL PLC AND SUBSIDIARIES

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Going concern

Having reviewed the group's financial forecasts, expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to meet any liabilities as they fall due. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2019.

On behalf of the board



B-S Sandhu

Director

27 September 2019

SANTON CAPITAL PLC AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

Opinion

We have audited the financial statements of Santon Capital Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

SANTON CAPITAL PLC AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

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

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

Auditor's 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 auditor's 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.

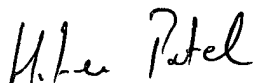
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SANTON CAPITAL PLC AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

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



Hiten Patel FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

27 September 2019

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	32,088,450	182,996,462
Cost of sales		(29,202,958)	(176,292,905)
Gross profit		2,885,492	6,703,557
Administrative expenses		(1,260,796)	(1,796,192)
Other operating income		85,971	108,626
Operating profit	4	1,710,667	5,015,991
Interest receivable and similar income	7	373,784	218,982
Interest payable and similar expenses	8	(853,169)	(3,895,119)
Fair value (losses)/gains on investments	9	(259,436)	405,109
Fair value gains on investment properties		50,000	3,069,508
Profit before taxation		1,021,846	4,814,471
Taxation	10	(121,230)	(811,263)
Profit for the financial year		900,616	4,003,208

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

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Profit for the year	900,616	4,003,208
Other comprehensive income	-	-
Total comprehensive income for the year	<u>900,616</u>	<u>4,003,208</u>


SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		11,064		9,100
Investment properties	12		13,805,538		13,750,000
Investments	13		6,942,625		6,174,478
			<u>20,759,227</u>		<u>19,933,578</u>
Current assets					
Stocks	17	1,933,869		26,538,115	
Debtors	18	3,981,227		6,166,976	
Cash at bank and in hand		4,173,549		13,697,592	
		<u>10,088,645</u>		<u>46,402,683</u>	
Creditors: amounts falling due within one year	19	(12,727,515)		(49,040,262)	
Net current liabilities			<u>(2,638,870)</u>		<u>(2,637,579)</u>
Total assets less current liabilities			<u>18,120,357</u>		<u>17,295,999</u>
Provisions for liabilities	21		<u>(1,114,694)</u>		<u>(1,190,952)</u>
Net assets			<u><u>17,005,663</u></u>		<u><u>16,105,047</u></u>
Capital and reserves					
Called up share capital	23		124,002		124,002
Share premium account			195,053		195,053
Other reserves			407,684		407,684
Capital redemption reserve			92,000		92,000
Profit and loss reserves			16,186,924		15,286,308
Total equity			<u><u>17,005,663</u></u>		<u><u>16,105,047</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2019 and are signed on its behalf by:


B S Sandhu
Director


SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	13		8,367,740		7,599,588
Current assets					
Debtors	18	13,372,298		9,042,229	
Cash at bank and in hand		2,399,249		3,085,649	
		<u>15,771,547</u>		<u>12,127,878</u>	
Creditors: amounts falling due within one year	19	<u>(2,116,965)</u>		<u>(2,434,504)</u>	
Net current assets			13,654,582		9,693,374
Total assets less current liabilities			<u>22,022,322</u>		<u>17,292,962</u>
Provisions for liabilities	21		(21,200)		(105,959)
Net assets			<u>22,001,122</u>		<u>17,187,003</u>
Capital and reserves					
Called up share capital	23		124,002		124,002
Capital redemption reserve			92,000		92,000
Profit and loss reserves			21,785,120		16,971,001
Total equity			<u>22,001,122</u>		<u>17,187,003</u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2019 and are signed on its behalf by:


B. S. Sandhu
Director

Company Registration No. 03364739

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2017	124,002	195,053	344,853	92,000	407,684	10,938,245	12,101,837
Period ended 31 March 2018:							
Profit and total comprehensive income for the period	-	-	-	-	-	4,003,208	4,003,208
Transfers	-	-	(344,853)	-	-	344,853	-
Other movements	-	-	-	-	-	2	2
Balance at 31 March 2018	124,002	195,053	-	92,000	407,684	15,286,308	16,105,047
Year ended 31 March 2019:							
Profit and total comprehensive income for the year	-	-	-	-	-	900,616	900,616
Balance at 31 March 2019	124,002	195,053	-	92,000	407,684	16,186,924	17,005,663

SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2017	124,002	92,000	14,536,872	14,752,874
Period ended 31 March 2018:				
Profit and total comprehensive income for the period	-	-	2,434,129	2,434,129
Balance at 31 March 2018	124,002	92,000	16,971,001	17,187,003
Year ended 31 March 2019:				
Profit and total comprehensive income for the year	-	-	4,814,119	4,814,119
Balance at 31 March 2019	124,002	92,000	21,785,120	22,001,122

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	26	22,290,262		184,063,432	
Interest paid		(853,169)		(3,895,119)	
Income taxes paid		(317,381)		(675,880)	
Net cash inflow from operating activities		21,119,712		179,492,433	
Investing activities					
Purchase of tangible fixed assets		(7,033)		(14,457)	
Investment property additions		(5,538)		-	
Proceeds on disposal of fixed asset investments		(768,147)		(240,731)	
Purchase of held to maturity assets		(259,436)		(101,240)	
Interest received		162,477		91,966	
Dividends received		155,345		118,266	
Other investment income received		55,962		8,750	
Net cash used in investing activities		(666,370)		(137,446)	
Financing activities					
Repayment of borrowings		(1,377,956)		(3,454,119)	
Repayment of bank loans		(28,599,429)		(172,080,016)	
Net cash used in financing activities		(29,977,385)		(175,534,135)	
Net (decrease)/increase in cash and cash equivalents		(9,524,043)		3,820,852	
Cash and cash equivalents at beginning of year		13,697,592		9,876,740	
Cash and cash equivalents at end of year		4,173,549		13,697,592	

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Santon Capital Plc and subsidiaries ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Santon House, 53/55 Uxbridge Road, Ealing, London, W5 5SA.

The group consists of Santon Capital Plc and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the period was £4,830,434 (2018 - £2,434,129).

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Santon Capital Plc and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

Having reviewed the group's financial forecasts, expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to meet any liabilities as they fall due. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2019.

1.4 Turnover

Turnover comprises property management fees which are recognised at the date the service was provided; the sales value of property developments which are recognised upon exchange of contracts; property rents receivable which are recognised when they accrue; and development income where this can be reliably measured at the period end.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Purchases and sales of investment properties are accounted for on exchange of contract, unless the contract is conditional and the condition has not been satisfied at the date financial statements are approved. In such circumstances the purchase or sale is accounted for on completion of contract.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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 asset belongs.

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 fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 profit or loss, 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 profit or loss, 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.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Investment properties

The group's investment properties which are properties held to earn rentals and/or capital appreciation and freehold land and buildings within tangible assets are measured using the fair value model and stated at their fair value as at the reporting date. The director's have used their experience of the property market and with reference to evidence of transaction prices of similar properties and rental yields to arrive at an appropriate value at the year end.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Rental income	657,161	8,547,445
Sale of development properties	30,710,164	173,106,997
Management fees	721,125	1,342,020
	<u>32,088,450</u>	<u>182,996,462</u>

	2019 £	2018 £
Other significant revenue		
Interest income	162,477	91,966
Dividends received	155,345	118,266
Rental income	426,773	341,068
	<u></u>	<u></u>

	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	<u>32,088,450</u>	<u>182,996,462</u>

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	5,069	6,118
Cost of stocks recognised as an expense	<u>29,202,958</u>	<u>176,292,905</u>

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	6,000	2,000
Audit of the financial statements of the company's subsidiaries	<u>24,000</u>	<u>38,750</u>
	<u>30,000</u>	<u>40,750</u>
For other services		
Taxation compliance services	<u>10,000</u>	<u>2,000</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	2019 Number	2018 Number
Administrative staff	19	14

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	582,447	506,910
Social security costs	45,364	50,330
Pension costs	61,835	60,549
	<u>689,646</u>	<u>617,789</u>

Directors' remuneration of £77,500 (2018: £92,500) was paid from a subsidiary entity to a director of the subsidiary who is also a director of the company. See note 23 for disclosure of key management personnel remuneration in the subsidiaries, who are also directors of the subsidiary entities.

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	29,087	21,084
Other interest income	133,390	70,882
Total interest revenue	<u>162,477</u>	<u>91,966</u>
Other income from investments		
Dividends received	155,345	118,266
	<u>317,822</u>	<u>210,232</u>
Income from fixed asset investments		
Income from other fixed asset investments	55,962	8,750
Total income	<u>373,784</u>	<u>218,982</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	29,087	21,084
Dividends from financial assets measured at fair value through profit or loss	<u>155,345</u>	<u>118,266</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	646,485	3,735,043
Other finance costs:		
Other interest	206,684	160,076
Total finance costs	<u>853,169</u>	<u>3,895,119</u>

9 Amounts written off investments

	2019 £	2018 £
Fair value (losses)/gains on financial instruments		
Amounts written off fair value through income statement	(113,754)	(118,854)
Other gains/(losses)		
Gain on disposal of financial assets held at fair value	90,797	17,614
Amounts written back to non-current loans	-	606,349
Amounts written off financial assets held at cost	(236,479)	(100,000)
	<u>(259,436)</u>	<u>405,109</u>

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	210,867	330,446
Adjustments in respect of prior periods	(13,378)	-
Total current tax	<u>197,489</u>	<u>330,446</u>
Deferred tax		
Origination and reversal of timing differences	<u>(76,259)</u>	<u>480,817</u>
Total tax charge	<u>121,230</u>	<u>811,263</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	1,021,846	4,814,471
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	194,151	914,749
Tax effect of expenses that are not deductible in determining taxable profit	23,548	30,123
Tax effect of income not taxable in determining taxable profit	(29,516)	(22,471)
Tax effect of utilisation of tax losses not previously recognised	(4,268)	(30,628)
Adjustments in respect of prior years	(13,378)	-
Group relief	-	(71)
Permanent capital allowances in excess of depreciation	(12,842)	(14,359)
Effect of revaluations of investments	39,794	(404,397)
Other non-reversing timing differences	-	1,856
Deferred tax	(76,259)	478,961
Effect of revaluations of investment properties	-	(142,500)
Tax expense for the year	121,230	811,263

11 Tangible fixed assets

Group	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 April 2018	15,403	97,939	52,054	165,396
Additions	-	3,010	4,023	7,033
At 31 March 2019	15,403	100,949	56,077	172,429
Depreciation and impairment				
At 1 April 2018	15,403	97,841	43,052	156,296
Depreciation charged in the year	-	748	4,321	5,069
At 31 March 2019	15,403	98,589	47,373	161,365
Carrying amount				
At 31 March 2019	-	2,360	8,704	11,064
At 31 March 2018	-	98	9,002	9,100

The company had no tangible fixed assets at 31 March 2019 or 31 March 2018.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Investment property

	Group 2019 £	Company 2019 £
Fair value		
At 1 April 2018	13,750,000	-
Additions	5,538	-
Net gains or losses through fair value adjustments	50,000	-
At 31 March 2019	13,805,538	-

Investment properties comprise of freehold land buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	14	-	-	1,425,115	1,425,110
Investments in joint ventures	15	2	2	2	2
Listed investments		5,980,066	4,418,699	5,980,066	4,418,699
Unlisted investments		962,557	1,755,777	962,557	1,755,777
		<u>6,942,625</u>	<u>6,174,478</u>	<u>8,367,740</u>	<u>7,599,588</u>

The group and company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

The fair values of the listed investment financial assets with standard terms and conditions are traded on active liquid markets are determined with reference to quoted market prices.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Fixed asset investments

(Continued)

Movements in fixed asset investments

Group

Shares
£

Cost or valuation

At 31 March 2018

6,274,478

Additions

4,040,971

Valuation changes

(113,752)

Capital repayment

(167,424)

Disposals

(2,991,648)

At 31 March 2019

7,042,625

Impairment

At 1 April 2018 & 31 March 2019

100,000

Carrying amount

At 31 March 2019

6,942,625

At 31 March 2018

6,174,478

Movements in fixed asset investments

Company

Shares
£

Cost or valuation

At 31 March 2018

7,699,588

Additions

4,040,977

Valuation changes

(113,752)

Capital repayment

(167,424)

Disposals

(2,991,649)

At 31 March 2019

8,467,740

Impairment

At 1 April 2018 & 31 March 2019

100,000

Carrying amount

At 31 March 2019

8,367,740

At 31 March 2018

7,599,588

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Santon Pubco Limited	England & Wales	Property investment	Ordinary	100.00	
Highland Club Management Company Limited	England & Wales	Dormant entity	Ordinary		100.00
Santon Close Nominees Limited	Scotland	Dormant entity	Ordinary	100.00	
Santon Commerical Properties Plc	Scotland	Dormant entity	Ordinary	100.00	
Santon Contracting Limited	England & Wales	Dormant entity	Ordinary		100.00
Santon Developments Plc	England & Wales	Management company	Ordinary	100.00	
Santon Estates Limited	England & Wales	Dormant entity	Ordinary	100.00	
Santon Group Developments Limited	Scotland	Property development	Ordinary	100.00	
Santon Highlands Limited	Scotland	Property development and investment	Ordinary		100.00
Santon Homes Plc	Scotland	Dormant entity	Ordinary	100.00	
Santon Industrial Properties Limited (formerly Santon Newton Aycliffe Limited)	England & Wales	Property investment	Ordinary	100.00	
Santon Investments Limited	England & Wales	Dormant entity	Ordinary	100.00	
Santon Management Limited	England & Wales	Management company	Ordinary	100.00	
Santon Property Company Limited	England & Wales	Property investment	Ordinary	100.00	
Santon Retail Limited	England & Wales	Dormant entity	Ordinary		100.00
Santon UK Limited	England & Wales	Dormant entity	Ordinary	100.00	
Santon Commercial Propco Limited	England & Wales	Property investment	Ordinary	100.00	

15 Joint ventures

Details of joint ventures at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
The Highland Club Limited	England & Wales	Dormant entity	Ordinary	50.00

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Joint ventures

(Continued)

The joint venture's trade during the previous and current period remains dormant and therefore its results have not been included in the consolidated accounts.

16 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,974,625	6,024,340	13,397,174	9,042,231
Equity instruments measured at cost less impairment	2,523,926	1,755,779	2,523,926	1,755,779
Instruments measured at fair value through profit or loss	4,418,699	4,418,699	4,418,699	4,418,699
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	12,368,977	42,759,266	2,116,773	2,368,716
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Development properties	1,933,869	26,538,115	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	19,717	9,863	-	-
Corporation tax recoverable	80	5	-	-
Amounts due from group undertakings	-	-	10,811,627	7,649,756
Other debtors	2,680,862	5,817,977	2,560,672	1,367,601
Prepayments and accrued income	78,443	142,631	-	24,872
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,779,102	5,970,476	13,372,299	9,042,229
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts falling due after one year:				
Other debtors	1,202,125	196,500	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total debtors	3,981,227	6,166,976	13,372,299	9,042,229
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Debtors

(Continued)

Other debtors include an amount receivable over more than 1 year of £1,202,125 (2018: £196,500). The amount is valued at amortised fair value. The loans are subject to interest and are repayable within 2-3 years, unless new repayment terms are agreed. The loans provided are secured by the Scottish law standard security in favour of the company in respect of the properties and floating charge over the assets of the company.

19 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	20	-	28,599,429	-	-
Other loans	20	5,000,000	6,377,956	-	-
Trade creditors		160,679	78,875	21,010	10
Amounts due to group undertakings		-	-	1,973,791	2,061,103
Corporation tax payable		210,981	330,799	192	65,788
Other taxation and social security		147,557	5,950,197	-	-
Other creditors		472,159	813,030	111,361	305,603
Accruals and deferred income		6,736,139	6,889,976	10,611	2,000
		<u>12,727,515</u>	<u>49,040,262</u>	<u>2,116,965</u>	<u>2,434,504</u>

20 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	-	28,599,429	-	-
Other loans	5,000,000	6,377,956	-	-
	<u>5,000,000</u>	<u>34,977,385</u>	<u>-</u>	<u>-</u>
Payable within one year	<u>5,000,000</u>	<u>34,977,385</u>	<u>-</u>	<u>-</u>

Loans and overdrafts totalling £Nil (2018: £29,977,385) are secured by fixed and floating charge over some of the group's assets and by first charges over the group's development properties.

The loans are made up of numerous loans for each development property held as stock, with the loan interest rates at margin over Libor of 1.30% at the year end. During the year development property was sold as a result of this the loan has been satisfied. All loans were repaid during the year.

Other loans payable within one year include a loan of £5,000,000 (2018: £5,000,000). This loan is secured by a fixed charge over a development and by a bond and floating charge over the company's assets. The loan is also subject to interest at 3% plus base rate and is repayable in December 2019, unless new repayment terms are agreed.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

	Liabilities 2019 £	Liabilities 2018 £
Group		
Revaluations	1,093,494	1,084,993
Investments	21,200	105,959
	<u>1,114,694</u>	<u>1,190,952</u>
	Liabilities 2019 £	Liabilities 2018 £
Company		
Investments	<u>21,200</u>	<u>105,959</u>
	Group 2019 £	Company 2019 £
Movements in the year:		
Liability at 1 April 2018	1,190,953	105,959
Charge/(credit) to income statement	(76,259)	(84,759)
Liability at 31 March 2019	<u>1,114,694</u>	<u>21,200</u>

22 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>61,835</u>	<u>60,549</u>

A defined contribution pension scheme is operated for all qualifying employees. The company contributes towards the individuals personal pension plan.

23 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
- Ordinary shares of 50p each	<u>124,002</u>	<u>124,002</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

24 Related party transactions

Remuneration of key management personnel

There was no remuneration in respect of key management personnel in the parent company. The key management personnel remuneration in the subsidiaries, who are also directors of the subsidiary entities, is as follows;

	2019 £	2018 £
Aggregate compensation	167,500	307,132

No guarantees have been given or received.

a) Included in other creditors are amounts of £75,914 (2018: £243,520) due to B. S. Sandhu and £12,307 (2018: £38,292) due to P Sandhu, the wife of the director B S Sandhu. Interest of £23,057 (2018: £nil) was incurred by the company in respect of these balances.

b) Included in other debtors are amounts of £2,087,000 (2018: £312,570) due from B&P Investments Limited, a company which B. S. Sandhu is a director and shareholder. Interest of £47,372 (2018: £7,561) was payable by the company in respect of this loan.

c) Fixed asset investments include 221,803 Raven Russia Limited Warrants, which were purchased from The MS Sandhu Life Interest Settlement Trust at a market value of £40,361 and later converted to Ordinary Shares.

d) Fixed asset investments include 810,811 Raven Russia Limited Ordinary Shares, which were purchased from by B. S. Sandhu at a market value of £367,703.

e) The Santon Capital plc group provides offices, staff and administrative support to The Sandhu Charitable Foundation without charge. The director B. S. Sandhu is the founder and Trustee of the Foundation, which is the major conduit for the Sandhu family and Santon Group charitable activities.

f) During the year an interest free loan of £60,000 (2018: £nil) was made to The Sandhu Charitable Foundation, which was repaid during the year.

25 Controlling party

At 31 March 2019 the company was controlled by B.S. Sandhu.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

26 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	900,616	4,003,208
Adjustments for:		
Taxation charged	121,230	811,263
Finance costs	853,169	3,895,119
Investment income	(373,784)	(218,982)
Fair value gains and losses on investment properties	(50,000)	(3,069,508)
Depreciation and impairment of tangible fixed assets	5,069	6,118
Fair value losses/(gains) on investments	259,436	(405,109)
Movements in working capital:		
Decrease in stocks	24,604,246	197,104,911
Decrease/(increase) in debtors	2,113,903	(4,848,190)
(Decrease) in creditors	(6,143,623)	(13,215,398)
Cash generated from operations	22,290,262	184,063,432