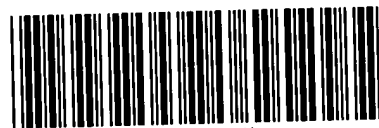


Company Registration No. 03364739 (England and Wales)

SANTON CAPITAL PLC AND SUBSIDIARIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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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
Solicitors	Linklaters LLP One Silk Street London EC2Y 8HQ Steptoe & Johnson 99 Gresham Street London EC2V 7NG

SANTON CAPITAL PLC AND SUBSIDIARIES

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SANTON CAPITAL PLC AND SUBSIDIARIES

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

Over the last few years the Group has shifted its focus from development activities to investment activities; property and non-property, listed and unlisted investments.

The Group's turnover decreased from £1.53 million in the year ended 31 March 2020 to £1.03 million for the year under review. The operating loss decreased from £0.47 million to a loss of £0.23 million and the loss before tax decreased from £2.86 million to a profit of £0.56 million largely as a result of an increase in investment values compared to a substantial write-down of investments from the impact of the Covid-19 pandemic in the previous year.

The Group's total assets decreased from £31.4 million to £30.8 million as a result of decrease in the value of property investments; correspondingly Group debt increased from £7.5 million to £7.8 million. Net assets increased from £14.5 million to £15.1 million.

Two of the Group's properties, Arlington and The Spencer, were valued by external valuers at significantly higher than book value in September 2019. However, property valuations as at 31 March 2021 remain uncertain given the impact of Covid-19. We have therefore kept our valuations of Arlington and The Spencer the same as in prior years. The property investments held at The Highland Club were however severely impacted by Covid-19. An external valuation carried by JLL reduced property values in this location by £0.5m almost wholly as a direct and indirect impact of Covid-19 on business and in particular the impact on The Boathouse Restaurant. Nevertheless, we are highly confident that values will recover in the medium to long term.

The directors consider the result for the period to be satisfactory given the circumstances that we all find ourselves in.

Principal risks and uncertainties

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

With the COVID-19 outbreak, declared a "Global Pandemic" by the World Health Organisation on 11 March 2020, it has impacted global financial markets. The full impact of is still unknown and therefore it is not possible to evaluate the full implications.

What has largely been forgotten but still looms over us is the uncertainty surrounding 'Brexit'. The immediate impact for us will be the ability to hire staff at The Highland Club.

The Group will focus on expanding its investment activities including its trading businesses having wound down its property development activities.

Promoting success of the company

This section serves as our s172 statement and should be read in conjunction with the whole Strategic Report. s172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the company's employees and other stakeholders including the impact of its activities on the community, the environment and the company's reputation when making decisions. The Directors act in good faith and fairly between members and consider what is most likely to promote the success in the long term for all of its members.

Our principal stakeholders are engaged with on a regular basis. The shareholder is an executive of the company.

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.

SANTON CAPITAL PLC AND SUBSIDIARIES

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Prospects

The prospects for the Group will be shaped by the swirling macro-economic, health and geopolitical environment i.e. factors largely outside our control.

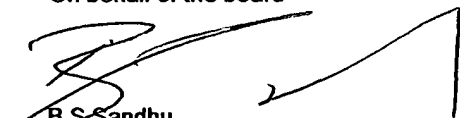
There has been further recovery in the value of our investments post the year end. The operations at the Highland Club, in particular, were and continue to be severely impacted in particular through the loss of income from the vital spring and summer season. It obviously has had a massive and unforeseen impact on the operator of The Boathouse Restaurant, where we are the Landlord, just as the tenant had managed to develop a profitable business. We continue to support the tenant with its cash flow.

However, the Group as a whole remains highly liquid, both in terms of cash and readily marketable investments, and lowly geared and therefore in a position to take advantage of any opportunities that may arise.

The Group's office investment in Ealing is likely to benefit significantly over the next few years from the impact of Crossrail. Unfortunately, there have been further delays caused by the impact of Covid-19 and Ealing Broadway station is now not expected to commence Crossrail services until the second quarter of 2022. We would expect significant increases in rental levels post opening.

We will continue to look primarily for private equity investments opportunities and opportunistic property investments.

On behalf of the board



B.S. Sandhu

Director

23 September 2021

SANTON CAPITAL PLC AND SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

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 9.

No dividends have been paid on the ordinary shares of the company (2020: £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 £nil (2020: £21,400).

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 £326,000 (2020: £321,500).

Government Grants and Loans

The Group received government grants of £250,769 principally in relation to The Highland Club and furlough payments. Post the year end Santon Capital Plc decided to make a donation of assets valued at £0.3m to The Sandhu Charitable Foundation in lieu of repaying some or all of the grant back.

All government backed loans taken out by the Group have been repaid after the year end.

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 2021

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.

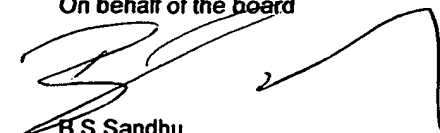
Going concern

The financial statements have been prepared on the assumption that the group is a going concern.

With respect to the recent Covid-19 outbreak, the directors have considered the impact of the pandemic on the group's operations. Like many businesses, the result of the group is impacted by the health of the UK economy, with any potential downturn likely to have an impact upon the group's operations. Having considered this, the directors expect any impact on the group to be limited to the short-term and therefore do not believe it to pose a significant long-term risk to the business.

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 2021.

On behalf of the board



B S Sandhu
Director

23 September 2021

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 2021 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 2021 and of its profit for the year 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit procedures were primarily directed towards testing the accounting systems in operation which we have based our assessment of the financial statements for the year ended 31 March 2021.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

Extent to which the audit was considered capable of detecting irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

SANTON CAPITAL PLC AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with HMRC.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

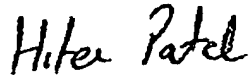
SANTON CAPITAL PLC AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

Use of our report

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

23 September 2021

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	1,031,560	1,531,106
Cost of sales		(180,478)	(624,750)
Gross profit		851,082	906,356
Administrative expenses		(1,344,825)	(1,386,069)
Other operating income		259,055	9,121
Operating loss	4	(234,688)	(470,592)
Interest receivable and similar income	7	602,243	652,707
Interest payable and similar expenses	8	(195,807)	(45,417)
Fair value (losses)/gains on investments	9	840,718	(2,993,858)
Fair value losses on investment properties		(453,472)	-
Profit/(loss) before taxation		558,994	(2,857,160)
Taxation	10	(48,784)	389,253
Profit/(loss) for the financial year		510,210	(2,467,907)

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 2021

	2021	2020
	£	£
Profit/(loss) for the year	510,210	(2,467,907)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>510,210</u>	<u>(2,467,907)</u>

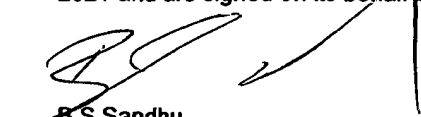
SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		5,266		8,279
Investment properties	12		13,468,647		13,922,119
Investments	13		5,339,432		4,762,435
			<u>18,813,345</u>		<u>18,692,833</u>
Current assets					
Stocks	17	1,764,707		1,764,707	
Debtors	18	6,311,639		5,615,391	
Investments	19	986,975		1,219,799	
Cash at bank and in hand		2,863,876		4,066,748	
		<u>11,927,197</u>		<u>12,666,645</u>	
Creditors: amounts falling due within one year	20	<u>(11,918,580)</u>		<u>(12,948,471)</u>	
Net current assets/(liabilities)			<u>8,617</u>		<u>(281,826)</u>
Total assets less current liabilities			<u>18,821,962</u>		<u>18,411,007</u>
Creditors: amounts falling due after more than one year	21		<u>(2,500,000)</u>		<u>(2,500,000)</u>
Provisions for liabilities	23,24		<u>(1,273,996)</u>		<u>(1,373,251)</u>
Net assets			<u><u>15,047,966</u></u>		<u><u>14,537,756</u></u>
Capital and reserves					
Called up share capital	26		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			14,229,227		13,719,017
Total equity			<u><u>15,047,966</u></u>		<u><u>14,537,756</u></u>

The financial statements were approved by the board of directors and authorised for issue on 23 September 2021 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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	13		5,705,551		5,128,554
Current assets					
Debtors	18	14,097,661		13,113,383	
Investments	19	986,975		1,219,799	
Cash at bank and in hand		2,610,033		3,623,018	
		<u>17,694,669</u>		<u>17,956,200</u>	
Creditors: amounts falling due within one year	20	<u>(2,676,384)</u>		<u>(3,240,460)</u>	
Net current assets			<u>15,018,285</u>		<u>14,715,740</u>
Total assets less current liabilities			<u>20,723,836</u>		<u>19,844,294</u>
Capital and reserves					
Called up share capital	26	124,002		124,002	
Capital redemption reserve		92,000		92,000	
Profit and loss reserves		20,507,834		19,628,292	
Total equity			<u>20,723,836</u>		<u>19,844,294</u>

The financial statements were approved by the board of directors and authorised for issue on 23 September 2021 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 2021

	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2019	124,002	195,053	92,000	407,684	16,186,924	17,005,663
Year ended 31 March 2020:						
Loss and total comprehensive income for the year	-	-	-	-	(2,467,907)	(2,467,907)
Balance at 31 March 2020	124,002	195,053	92,000	407,684	13,719,017	14,537,756
Year ended 31 March 2021:						
Profit and total comprehensive income for the year	-	-	-	-	510,210	510,210
Balance at 31 March 2021	124,002	195,053	92,000	407,684	14,229,227	15,047,966

SANTON CAPITAL PLC AND SUBSIDIARIES

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019	124,002	92,000	21,785,120	22,001,122
Year ended 31 March 2020:				
Loss and total comprehensive income for the year	-	-	(2,156,828)	(2,156,828)
Balance at 31 March 2020	124,002	92,000	19,628,292	19,844,294
Year ended 31 March 2021:				
Profit and total comprehensive income for the year	-	-	879,542	879,542
Balance at 31 March 2021	124,002	92,000	20,507,834	20,723,836

SANTON CAPITAL PLC AND SUBSIDIARIES

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	29	(2,449,099)		(853,291)	
Interest paid		(132,944)		(35,417)	
Income taxes paid		(2,089)		(207,740)	
Net cash outflow from operating activities		(2,584,132)		(1,096,448)	
Investing activities					
Purchase of tangible fixed assets		(4,665)		(3,012)	
Investment property additions		-		(116,581)	
Proceeds on disposal of fixed asset investments		(576,997)		1,496,860	
Purchase of held to maturity assets		1,073,542		(3,530,327)	
Interest received		445,418		423,119	
Dividends received		112,309		165,671	
Other investment income received		44,516		63,917	
Net cash generated from/(used in) investing activities		1,094,123		(1,500,353)	
Financing activities					
Repayment of borrowings		237,137		(10,000)	
New bank loans		50,000		2,500,000	
Net cash generated from financing activities		287,137		2,490,000	
Net decrease in cash and cash equivalents		(1,202,872)		(106,801)	
Cash and cash equivalents at beginning of year		4,066,748		4,173,549	
Cash and cash equivalents at end of year		2,863,876		4,066,748	

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 £878,959 (2020 - loss £2,156,828).

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 (i.e. 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 2021. 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 2021

1 Accounting policies

(Continued)

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. 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.

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.3 Going concern

The financial statements have been prepared on the assumption that the group is a going concern.

With respect to the recent Covid-19 outbreak, the directors have considered the impact of the pandemic on the group's operations. Like many businesses, the result of the group is impacted by the health of the UK economy, with any potential downturn likely to have an impact upon the group's operations. Having considered this, the directors expect any impact on the group to be limited to the short-term and therefore do not believe it to pose a significant long-term risk to the business.

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 2021.

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.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 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.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.16 Retirement benefits

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

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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 2021

3 Turnover and other revenue

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

	2021 £	2020 £
Turnover analysed by class of business		
Rental income	822,255	974,843
Sale of development properties	-	40,386
Management fees	209,305	515,877
	<u>1,031,560</u>	<u>1,531,106</u>

	2021 £	2020 £
Other significant revenue		
Interest income	445,418	423,119
Dividends received	112,309	165,671
Grants received	250,769	-
	<u></u>	<u></u>

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	<u>1,031,560</u>	<u>1,531,106</u>

4 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(4,492)	(760)
Government grants	(250,769)	-
Depreciation of owned tangible fixed assets	7,678	5,797
Cost of stocks recognised as an expense	136,598	519,318
Stocks impairment losses recognised or reversed	43,880	105,432
	<u></u>	<u></u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	5,000
Audit of the financial statements of the company's subsidiaries	24,000	24,000
	<u>29,000</u>	<u>29,000</u>
For other services		
Taxation compliance services	<u>9,000</u>	<u>9,000</u>

6 Employees

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

	2021	2020
	Number	Number
Administrative staff	<u>18</u>	<u>24</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	467,646	647,934
Social security costs	41,496	52,671
Pension costs	53,079	68,693
	<u>562,221</u>	<u>769,298</u>

Directors' remuneration of £50,000 (2020: £66,000) was paid from a subsidiary entity to a director of the subsidiary who is also a director of the company. See note 27 for disclosure of key management personnel remuneration in the subsidiaries, who are also directors of the subsidiary entities.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	1,058	15,755
Interest receivable from group companies	13,385	-
Other interest income	430,975	407,364
	<u>445,418</u>	<u>423,119</u>
Total interest revenue		
	445,418	423,119
Other income from investments		
Dividends received	112,309	165,671
	<u>557,727</u>	<u>588,790</u>
Income from fixed asset investments		
Income from other fixed asset investments	44,516	63,917
	<u>602,243</u>	<u>652,707</u>
Total income		
	<u>602,243</u>	<u>652,707</u>
 Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	1,058	15,755
Dividends from financial assets measured at fair value through profit or loss	112,309	165,671
	<u>113,367</u>	<u>181,426</u>

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	87,614	16,424
Interest on convertible loan notes	45,319	5,421
	<u>132,933</u>	<u>21,845</u>
Other finance costs:		
Finance costs for financial instruments measured at fair value through profit or loss	62,863	20,982
Other interest	11	2,590
	<u>195,807</u>	<u>45,417</u>
Total finance costs		
	<u>195,807</u>	<u>45,417</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Amounts written off investments

	2021 £	2020 £
Fair value gains/(losses) on financial instruments		
Amounts written back to/(written off) fair value through income statement	521,688	(2,097,337)
Other gains/(losses)		
Gain/(loss) on disposal of financial assets held at fair value	319,030	(213,191)
	<u>840,718</u>	<u>(2,993,858)</u>

10 Taxation

	2021 £	2020 £
Current tax		
Adjustments in respect of prior periods	1,987	(3,012)
Deferred tax		
Origination and reversal of timing differences	46,797	(386,241)
	<u>48,784</u>	<u>(389,253)</u>

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

	2021 £	2020 £
Profit/(loss) before taxation	<u>558,994</u>	<u>(2,857,160)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	106,209	(542,860)
Tax effect of expenses that are not deductible in determining taxable profit	91,906	115,155
Tax effect of income not taxable in determining taxable profit	(29,797)	(31,477)
Unutilised tax losses carried forward	-	28,438
Adjustments in respect of prior years	-	(3,012)
Permanent capital allowances in excess of depreciation	(8,427)	(8,256)
Depreciation on assets not qualifying for tax allowances	1,455	-
Effect of revaluations of investments	(159,736)	439,000
Under provided in prior years	377	-
Deferred tax	46,797	(386,241)
Tax expense for the year	<u>48,784</u>	<u>(389,253)</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	15,403	100,949	59,089	175,441
Additions	-	-	4,665	4,665
At 31 March 2021	15,403	100,949	63,754	180,106
Depreciation and impairment				
At 1 April 2020	15,403	99,337	52,422	167,162
Depreciation charged in the year	-	1,407	6,271	7,678
At 31 March 2021	15,403	100,744	58,693	174,840
Carrying amount				
At 31 March 2021	-	205	5,061	5,266
At 31 March 2020	-	1,612	6,667	8,279

The company had no tangible fixed assets at 31 March 2021 or 31 March 2020.

12 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 April 2020	13,922,119	-
Net losses through fair value adjustments	(453,472)	-
At 31 March 2021	13,468,647	-

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.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	366,119	366,119
Investments in joint ventures	15	2	2	2	2
Listed investments		4,915,157	4,199,115	4,915,157	4,199,115
Unlisted investments		424,273	563,318	424,273	563,318
		<u>5,339,432</u>	<u>4,762,435</u>	<u>5,705,551</u>	<u>5,128,554</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.

Movements in fixed asset investments

Group	Shares £
Cost or valuation	
At 31 March 2020	4,862,435
Additions	615,475
Valuation changes	259,888
Capital repayment	(218,610)
Disposals	(79,756)
At 31 March 2021	<u>5,439,432</u>
Impairment	
At 1 April 2020 & 31 March 2021	<u>100,000</u>
Carrying amount	
At 31 March 2021	<u>5,339,432</u>
At 31 March 2020	<u>4,762,435</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares
£

Cost or valuation

At 31 March 2020	6,287,550
Additions	615,475
Valuation changes	259,888
Capital repayment	(218,610)
Disposals	(79,756)

At 31 March 2021	6,864,547
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Impairment

At 1 April 2020 & 31 March 2021	1,158,996
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Carrying amount

At 31 March 2021	5,705,551
At 31 March 2020	5,128,554

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

(Continued)

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 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	Manangement 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	England & Wales	Property investment	Ordinary	100.00	-
Santon Investments Limited	England & Wales	Dormant entity	Ordinary	100.00	-
Santon Management Limited	England & Wales	Mangement 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 2021 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

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

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	5,750,660	5,034,891	13,648,793	12,493,463
Equity instruments measured at cost less impairment	5,339,430	343,736	920,733	343,736
Instruments measured at fair value through profit or loss	986,975	5,638,498	5,405,674	5,638,498
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	14,337,286	15,397,085	2,674,625	3,240,265
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Development properties	1,764,707	1,764,707	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	7,261	38,615	-	-
Corporation tax recoverable	145	43	-	-
Amounts due from group undertakings	-	-	8,658,758	8,784,450
Other debtors	5,014,878	3,712,975	4,965,157	3,684,136
Prepayments and accrued income	64,109	151,835	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,086,393	3,903,468	13,623,915	12,468,586
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts falling due after one year:				
Other debtors	751,500	1,067,125	-	-
Deferred tax asset (note 24)	473,746	644,798	473,746	644,798
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,225,246	1,711,923	473,746	644,798
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total debtors	<u>6,311,639</u>	<u>5,615,391</u>	<u>14,097,661</u>	<u>13,113,384</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Debtors

(Continued)

Other debtors include an amount receivable over more than 1 year of £751,500 (2020: £1,067,125). 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 Current asset investments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Unlisted investments	986,975	1,219,799	986,975	1,219,799

20 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	22	50,000	-	-	-
Other loans	22	5,300,000	5,000,000	-	-
Trade creditors		8,918	73,918	-	-
Amounts due to group undertakings		-	-	2,047,497	1,845,267
Corporation tax payable		192	192	192	192
Other taxation and social security		81,102	51,194	1,567	3
Other creditors		620,299	1,750,293	614,000	1,381,987
Accruals and deferred income		5,858,069	6,072,874	13,128	13,011
		11,918,580	12,948,471	2,676,384	3,240,460

21 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	22	2,500,000	2,500,000	-	-

The bank loans are secured by fixed and floating charges over some of the group's assets and by first charges over the group's properties.

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	2,550,000	2,500,000	-	-
Other loans	5,300,000	5,000,000	-	-
	<u>7,850,000</u>	<u>7,500,000</u>	<u>-</u>	<u>-</u>
Payable within one year	5,350,000	5,000,000	-	-
Payable after one year	2,500,000	2,500,000	-	-
	<u>7,850,000</u>	<u>7,500,000</u>	<u>-</u>	<u>-</u>

Bank loans totalling £2,550,000 (2020: £2,500,000) are secured by fixed and floating charge over some of the group's assets and by first charges over the group's investment properties.

Other loans payable within one year include a loan of £5,300,000 (2020: £5,000,000). No interest was charged on the loan given the financial situation of the Company. This was agreed with the lender, however a facility fee of £51,200 was charged. The loans are secured by standard security on the company's development property and by a bond and floating charge over the company's assets.

23 Provisions for liabilities

	Group 2021 £	2020 £	Company 2021 £	2020 £
	25,000	-	-	-
	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movements on provisions:

Group	£
Additional provisions in the year	<u>25,000</u>

SANTON CAPITAL PLC AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 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 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Group				
Revaluations	1,248,996	1,373,251	-	-
Investments	-	-	473,746	644,798
	<u>1,248,996</u>	<u>1,373,251</u>	<u>473,746</u>	<u>644,798</u>
	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Company				
Investments	-	-	473,746	644,798
	<u>-</u>	<u>-</u>	<u>473,746</u>	<u>644,798</u>

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability/(asset) at 1 April 2020	728,453	(644,798)
Charge to profit or loss	46,797	171,052
Liability/(asset) at 31 March 2021	<u>775,250</u>	<u>(473,746)</u>

25 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>53,079</u>	<u>68,693</u>

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

26 Share capital

	Group and company 2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
248,004 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 2021

27 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;

	2021 £	2020 £
Aggregate compensation	116,000	156,000

No guarantees have been given or received.

a) Included in other creditors are amounts of £nil (2020: £81,100) due to B. S. Sandhu and £nil (2020: £6,519) due to P Sandhu, the wife of the director B S Sandhu. Interest of £nil (2020: £2,590) was incurred by the company in respect of these balances.

b) Included in other debtors are amounts of £3,077,000 (2020: £2,722,000) due from B&P Investments Limited, a company which B. S. Sandhu is a director and shareholder. Interest of £218,260 (2020: £196,235) was payable by the company in respect of this loan.

c) 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.

d) During the year an interest free loan of £350,000 (2020: £250,000) was made to The Sandhu Charitable Foundation during the year and £200,000 was repaid after the year end.

28 Controlling party

At 31 March 2021 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 2021

29 Cash generated from group operations

	2021 £	2020 £
Profit/(loss) for the year after tax	510,210	(2,467,907)
Adjustments for:		
Taxation charged/(credited)	48,784	(389,253)
Finance costs	195,807	45,417
Investment income	(602,243)	(652,707)
Fair value gains and losses on investment properties	453,472	-
Depreciation and impairment of tangible fixed assets	7,678	5,797
Fair value losses/(gains) on investments	(840,718)	2,993,858
Increase in provisions	25,000	-
Movements in working capital:		
(Increase)/decrease in stocks	-	169,162
(Increase) in debtors	(848,585)	(1,057,451)
(Decrease)/increase in creditors	(1,398,504)	499,793
Cash absorbed by operations	(2,449,099)	(853,291)