Registration number: 06827789

Wittington Investments (Properties) Ltd

Strategic Report, Directors' Report and Financial Statements

for the Period from 15 September 2019 to 12 September 2020

Contents

Company Information

Directors	Sir Guy Weston
	George Weston
	Kevin Boylan
	Charles Mason
	Richard Grant
	Martin Hattrell
Company secretary	Jennifer Dooley
Registered office	Weston Centre 10 Grosvenor Street London United Kingdom W1K4QY
Auditors	Ernst & Young LLP 1 More London Place London United Kingdom SE1 2AF

Strategic Report for the Period from 15 September 2019 to 12 September 2020

The directors present their strategic report for the period from 15 September 2019 to 12 September 2020.

Fair review of the business
The company invests in high-quality investment properties in the retail, office and distribution sectors across the UK.

COVID-19 had a profound effect on the retail sector (46% of the total property portfolio) and many of our tenants sought help from their landlord. The real estate management team proactively renegotiated leases that balanced aiding the tenants at a difficult time and representing the best interests of Wittington Investments. Between March and June 86% of rents were collected comparing very favourably with the sector as a whole.

Trading results, dividends and transfers to reserves
The statement of comprehensive income for the period is set out on page 9. Turnover for the period represented by rental income was £10,727,648 (2019: £8,458,6161). The loss on ordinary activities was £7,293,818 (2019: a loss of £4,041,817). During the year the company received a distribution of £116,708 from Vanneck Residential LLP (2019: £84,614).

No dividend is recommended for the period (2019: £nil).

Principal risks and uncertainties
Key factors impacting our tenants are business and consumer confidence, interest rates, unemployment levels and disposable income growth, most of which have been affected by the COVID-19 pandemic. The effect on our retail tenants has been particularly significant. The impact of COVID-19 has been been diminished by having a portfolio diversified by sector, geography and type of occupier.

The company's key performance indicators are estimated rentable value (ERV) which is the open market rent that a property can be reasonably expected to attain based on its condition and the local market, unoccupied properties in the current portfolio as a percentage of ERV and the weighted average unexpired lease term which measures the average remaining life of tenant leases.

Approved by the Board on 10 June 2021 and signed on its behalf by:

....
Sir Guy Weston
Director

Directors' Report for the Period from 15 September 2019 to 12 September 2020

The directors present their report and the financial statements for the period from 15 September 2019 to 12 September 2020.

Directors' of the company
The directors, who held office during the period, were as follows:

Sir Guy Weston

George Weston

Kevin Boylan

Charles Mason

Richard Grant

Helen Gibson (resigned 27 July 2020)

Martin Hattrell

Notification of an interest in the shares of this company and shares in or debentures of other group companies by the directors was not required because at the end of the period each was also a director of a company of which this company is wholly owned subsidiary undertaking.

No director had at any time during the period any material interest in a contract with the company, other than service contracts.

Principal activity
The principal activity of the company continued to be that of an investment company.

Going concern
The Company is dependent upon its parent company, Wittington Investments Ltd (Wittington), for continuing financial support. Wittington has provided the Company with an undertaking that it will continue to make available such funds as are needed by the Company for a period of at least 12 months from the date of accounts signing and accordingly the directors consider it appropriate to continue to adopt the going concern basis in preparing the company's financial statements.

Subsequent events
The COVID-19 pandemic has become a worldwide crisis and at the date of this report the situation was still evolving. It has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The outbreak presents uncertainty and risk with respect to the underlying investments, their performance, and financial results. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material impact of the COVID-19 outbreak but the directors anticipate valuations to be adversely impacted. There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Report for the Period from 15 September 2019 to 12 September 2020 (continued)

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Approved by the Board on 10 June 2021 and signed on its behalf by:

Sir Guy Weston
Director

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Wittington Investments (Properties) Ltd

Opinion

We have audited the financial statements of Wittington Investments (Properties) Ltd (the 'company') for the period ended 12 September 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 24, 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 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 12 September 2020 and of its loss 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 below. 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 the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, 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 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 other information comprises the information included in the Strategic Report and the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusions 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.

Independent Auditor's Report to the Members of Wittington Investments (Properties) Ltd (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page 5, 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 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.

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

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.

Independent Auditor's Report to the Members of Wittington Investments (Properties) Ltd (continued)

Ernst & Young LLP

....
Philip Young (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

1 More London Place
London
United Kingdom
SE1 2AF

10 June 2021

Statement of Comprehensive Income
for the Period from 15 September 2019 to 12 September 2020

	Note	12 September 2020 £	14 September 2019 £
Turnover	4	10,727,648	8,458,616
Administrative expenses		(1,884,481)	(1,363,251)
Impairment expense	5	(14,662,081)	(9,487,593)
Other property income	6	158,500	232,445
Operating loss		(5,660,414)	(2,159,783)
Other interest receivable and similar income	7	11,116	30,497
Investment income	8	116,708	84,614
Interest payable and similar charges	9	(1,151,355)	(1,170,883)
		(1,023,531)	(1,055,772)
Loss before tax		(6,683,945)	(3,215,555)
Tax on loss on ordinary activities	12	(609,872)	(826,261)
Loss for the period		**(7,293,817)**	**(4,041,816)**
Other comprehensive income/(expense)		-	-
Total comprehensive expense		**(7,293,817)**	**(4,041,816)**

All activities of the company are from continuing operations.

Balance Sheet as at 12 September 2020

	Note	12 September 2020 £	14 September 2019 £
Fixed assets			
Intangible assets	14	37,280	55,920
Investment properties	13	217,533,304	182,726,540
Investments	15	3,252,127	3,516,123
		220,822,711	186,298,583
Current assets			
Debtors	16	6,285,684	4,826,603
Cash at bank and in hand		6,141,338	4,927,702
		12,427,022	9,754,305
Creditors: amounts falling due within one year	17	(149,149,094)	(103,908,430)
Net current liabilities		(136,722,072)	(94,154,125)
Total assets less current liabilities		84,100,639	92,144,458
Creditors: Amounts falling due after more than one year	18	(45,750,000)	(46,500,000)
Net assets		38,350,639	45,644,458
Capital and reserves			
Called up share capital	19	1	1
Profit and loss account		38,350,638	45,644,457
Shareholders' funds		38,350,639	45,644,458

Approved by the Board on 10 June 2021 and signed on its behalf by:

Sir Guy Weston
Director

Statement of Changes in Equity
for the Period from 15 September 2019 to 12 September 2020

	Share capital	Retained earnings	Total
	£	£	£
At 16 September 2018	1	49,686,273	49,686,274
Loss for the period	-	(4,041,816)	(4,041,816)
Other comprehensive income	-	-	-
Total comprehensive expense	-	(4,041,816)	(4,041,816)
At 14 September 2019	1	45,644,457	45,644,458
At 15 September 2019	1	45,644,455	45,644,456
Loss for the period	-	(7,293,817)	(7,293,817)
Other comprehensive income	-	-	-
Total comprehensive expense	-	(7,293,817)	(7,293,817)
At 12 September 2020	1	38,350,638	38,350,639

The notes on pages 12 to 26 form an integral part of these financial statements.

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020

1 Accounting reference date

The accounting reference date of the Company is the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared to 12 September 2020.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantages of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Wittington Investments Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Wittington Investments Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House. The Company is incorporated and domiciled in England and Wales.

The presentational and functional currency of these financial statements is sterling.

Summary of disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital (paragraph 79(a)(iv) of IAS);
- Disclosures in respect of transactions with wholly owned subsidiaries (paragraphs 17 and 18A of IAS 24 and the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member);
- Disclosures in respect of capital management (paragraph 134 - 136 of IAS 1);
- Disclosures in respect of the compensation of Key Management Personnel.
- The effects of new but not yet effective IFRSs (paragraphs 30 and 31 of IAS 8);

As the consolidated financial statements of Wittington Investments Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by 7 Financial Instrument Disclosures.

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

2 Accounting policies (continued)

Going concern

The Company is dependent upon its parent company, Wittington Investments Ltd (Wittington), for continuing financial support. Wittington has provided the Company with an undertaking that it will continue to make available such funds as are needed by the Company for a period of at least 12 months from the date of accounts signing and accordingly the directors consider it appropriate to continue to adopt the going concern basis in preparing the company's financial statements.

New accounting policies

The following accounting standards and amendments were adopted during the year and had no significant impact on the company:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Prepayment features with Negative Compensation
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS 2015 - 2017

The company is assessing the impact of the following standards, interpretations and amendments that are not yet effective. Where already endorsed by the EU, these changes will be adopted on the effective dates noted. Where not yet endorsed by the EU, the adoption date is less certain:

- IFRS 17 Insurance Contracts effective 2024 financial year (not yet endorsed by the EU)
- Amendments to IFRS 3 Definition of a Business effective 2021 financial year
- Amendments to IAS 1 and IAS 8 Definition of Material effective 2021 financial year
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current effective 2023 financial year (not yet endorsed by the EU)
- Amendments to References to the Conceptual Framework in IFRS Standards effective 2021 financial year

The new standard with the most significant effect on the company's financial statements is IFRS 16, further details of which are set out below. The impact of the other standards effective in 2021 and beyond have not yet been fully assessed.

IFRS 16 Leases

IFRS 16 introduces a new model for the identification of leases and accounting for lessors and lessees. It replaces IAS 17 Leases and other related requirements. The company adopted IFRS 16 on 15 September 2019 and applied it for the first time in the 2020 financial year.

For lessors, IFRS 16 substantially retains existing accounting requirements and continues to require classification of leases either as operating or finance in nature.

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

2 Accounting policies (continued)

Revenue recognition

Rental income from investment properties arising under operating leases is recognised on a straight-line basis over the lease term which includes applying adjustments for lease incentives, such as rent free periods and contributions towards tenant costs.

No investment property leases are classified as finance leases.

Dilapidation income is recognised when the Company has a contractual right to the income and the amount to be received is sufficiently certain – usually when the amount has been agreed with the tenant.

Dividend income is recognised when a dividend is declared by the subsidiaries and associates in which the company has invested.

Investment property

Investment properties are held at cost less provision for impairment. Impairment is determined by reference to the fair value of property estimated either by independent valuers or by the directors.

Depreciation is provided where the directors consider that the residual value of major components of the property is less than current book value.

Intangible assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives from the date they are available for use. The estimated useful life of software development costs is deemed to be 3 years.

Investments

Investments in associates are held at cost less impairment.

Financial instruments

Financial assets are classified using a principles-based approach in three measurement categories: amortised cost, fair value through other comprehensive income or fair value through profit or loss. Classification is performed on initial recognition of the asset based on the characteristics of the asset and the local business model. The company's financial assets are currently recorded at amortised cost and this will continue to be the case.

The Company provides for impairment of financial assets including loans to related parties based on known events, and makes a collective provision for losses yet to be identified, based on historical data. The majority of the provision comprises specific amounts.

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

2 Accounting policies (continued)

Tax

Income tax on the profit for the period comprises of current and deferred tax. Current tax is expected to be paid (or recovered) using tax rates and laws enacted, or substantively enacted, by the balance sheet date, together with any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences that exist at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the rate expected to apply in the period in which the temporary differences are realised. A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the asset can be recognised.

Borrowings

Debt is initially recognised at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest method. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Key estimates:

- That the residual value of major components of investment property exceeds their book value so no depreciation is provided.
- The fair value disclosures relating to investment property.

4 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

	12 September 2020 £	14 September 2019 £
Rental income from investment property	10,727,648	8,458,616

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

5 Operating Costs

Direct expenses for properties generating rental income for the period was £2,127,503 (2019: £1,932,938). Direct expenses for properties not generating rental income for the period was £77,000 (2019: £92,210).

Impairment expenses of £14,662,081 (2019: £9,487,593) were recognised in the statement of income and expenses to reflect the fair value of the properties as determined by an independent value. The impairments were limited to the retail sector, reflecting prevailing market conditions.

The auditor's remuneration for the period was £5,961 (2019: £4,944). The auditor's remuneration is borne by the parent company.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Wittington Investments Limited.

6 Other property income

No properties were sold in the year.

Other income of £158,500 (2019: £232,445) consists of £120,077 for an insurance refund relating to repair works on the Ardra Road property sold in 2018 and £38,423 relating to an application to sublet.

7 Other interest receivable and similar income

	12 September 2020 £	14 September 2019 £
Interest income on bank deposits	11,116	30,497

8 Investment income

During the year the company received a distribution of £116,708 from Vanneck Residential LLP (2019: £84,614)

9 Interest payable and similar charges

	12 September 2020 £	14 September 2019 £
Interest on bank overdrafts and borrowings	1,151,355	1,170,883

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	12 September 2020 £	14 September 2019 £
Wages and salaries	494,999	121,979
Social security costs	64,106	14,694
Pension costs, defined contribution scheme	24,872	9,830
	583,977	146,503

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	12 September 2020 No.	14 September 2019 No.
Administration and support	3	2

11 Directors' remuneration

Total directors' remuneration and the remuneration for the highest paid director, for qualifying services for 2020, were £299,732 (2019: £274,700). Total company contribution relating to directors to defined contribution pension schemes and the total pension contribution paid by the company in respect to the highest paid director, both for 2020, were £8,558 (2019: £11,486).

12 Income tax

Tax (charged)/credited in the statement of comprehensive income

	12 September 2020 £	14 September 2019 £
Current tax		
Tax charge	(1,305,869)	(1,155,906)
Adjustment for prior periods	695,809	310,615
	(610,060)	(845,291)
Deferred tax		
Deferred tax credit/(charge)	188	(94,332)
Adjustment for prior periods	-	113,362
	188	19,030

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

12 Income tax (continued)

	12 September 2020 £	14 September 2019 £
	(609,872)	(826,261)

The difference between the total tax charge shown and the amount calculated by applying the standard rate of UK Corporation tax to the profit before tax is as follows:

	12 September 2020 £	14 September 2019 £
Loss before tax	(6,683,945)	(3,215,555)
Nominal tax charge at standard rate of corporation tax of 19% (2019: 19%)	1,269,950	610,955
Adjustment to tax charge in respect of previous years	695,809	423,976
Non-taxable income	(22,175)	21,311
Expenses not allowable for corporation tax	(2,575,631)	(1,898,580)
Dividend income not subject to corporation tax	22,175	16,077
Current period tax charge	(609,872)	(826,261)

The previously enacted reduction in the UK corporation tax rate to 17% which was expected to come into effect from 1 April 2020 was repealed in the Finance Act 2020 thereby maintaining the current rate of 19%. The UK Budget 2021 announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

Deferred tax

Deferred tax movement during the period:

	At 15 September 2019 £	Recognised in income £	At 12 September 2020 £
Accelerated tax depreciation	188	(188)	-

Deferred tax movement during the prior period:

	At 16 September 2018 £	Recognised in income £	At 14 September 2019 £
Accelerated tax depreciation	(18,842)	19,030	188

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

13 Investment properties

	12 September 2020 £	14 September 2019 £
Cost		
At 15 September 2019	203,343,376	188,891,790
Additions	49,468,845	16,389,891
Disposals	-	(1,938,305)
At 12 September 2020	252,812,221	203,343,376
Depreciation		
At 15 September 2019	(20,616,836)	(11,129,243)
Impairment	(14,662,081)	(9,487,593)
At 12 September 2020	35,278,917	20,616,836
Carrying amount		
At 12 September 2020	217,533,304	182,726,540
Fair value at 12 September 2020	238,675,000	210,175,000

The fair value of the investment properties is primarily calculated using an income capitalisation approach. The key assumption is yield, the range used is between 3% and 9% (2019: 3% and 7%).

Impairment losses of £14,662,081 have primarily been recognised against properties with tenants operating in the retail sector reflecting the poor economic outlook for that sector.

14 Intangible assets

	Software development costs £
Cost	
At 15 September 2019	55,920
At 12 September 2020	55,920
Amortisation	
Amortisation charge	18,640
At 12 September 2020	18,640
Carrying amount	

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

14 Intangible assets (continued)

	Software development costs £
At 12 September 2020	37,280
At 14 September 2019	55,920

15 Investments

	Subsidiaries £	Associates £	Total investments £
Cost			
At 15 September 2019	101	3,516,022	3,516,123
Additions	-	-	-
Disposals	-	(263,996)	(263,996)
At 12 September 2020	101	3,252,026	3,252,127
At 14 September 2019	101	3,516,022	3,516,123

Subsidiaries

Details of the subsidiaries as at 12 September 2020 are as follows:

Name of subsidiary	Principal activity	Registered office address	Proportion of ownership interest and voting rights held 2020	2019
Avery Row Management Limited	Property management	Weston Centre, 10 Grosvenor Street, London, W1K 4QY, United Kingdom	100%	100%
Listergate Student Holdings Limited	Property management	Weston Centre, 10 Grosvenor Street, London, W1K 4QY, United Kingdom	100%	100%

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

15 Investments (continued)

Associates

Details of the associates as at 12 September 2020 are as follows:

Name of associate	Principal activity	Registered office address	Proportion of ownership interest and voting rights held 2020	2019
Vanneck Residential LLP	Property development	Parker Cavendish, 28 Church Road, Stanmore, Middlesex, England, HA7 4XR, United Kingdom	41%	41%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial years were as follows:

	Principal activity	Period ending	Capital and reserves	Profit/(loss) for the year
Vanneck Residential LLP	Property development	31 Decemberr 2019	9,938,468	1,539,080

16 Debtors

	12 September 2020 £	14 September 2019 £
Trade receivables	2,428,348	1,422,940
Debtors from related parties	2,327,477	2,257,763
Accrued income	481,580	39,907
Prepayments	248,144	205,382
Other debtors	434,383	488,971
Taxation and social security	365,752	411,452
Deferred tax asset	-	188
	6,285,684	4,826,603

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

17 Creditors: amounts falling due within one year

	12 September 2020 £	14 September 2019 £
Trade creditors	390,022	887,491
Amounts due to related parties	144,214,771	99,172,123
Corporation tax	1,305,494	1,155,903
Bank borrowings	1,500,000	1,500,000
Other creditors	1,738,807	1,192,913
	149,149,094	103,908,430

18 Loans and borrowings

	12 September 2020 £	14 September 2019 £
Non-current loans and borrowings		
Bank borrowings	45,750,000	46,500,000

	12 September 2020 £	14 September 2019 £
Current loans and borrowings		
Bank borrowings	1,500,000	1,500,000

Loan maturity analysis	12 September 2020 £	14 September 2019 £
In more than one year but not more than two years	1,500,000	1,500,000
In more than two years but not more than five years	44,250,000	45,000,000

The loans are secured by a legal charge over the investment property.

The loan will be repaid in full within 5 years of the initial drawdown at a floating interest rate of LIBOR + 1.8%.

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

19 Share capital

Issued, allotted, called up and fully paid shares

	12 September 2020 No.	12 September 2020 £	14 September 2019 No.	14 September 2019 £
Ordinary shares of £1 each	1	1	1	1

20 Financial instruments

Financial assets

	Carrying value		Fair value	
	12 September 2020 £	14 September 2019 £	12 September 2020 £	14 September 2019 £
Cash and cash equivalents	6,141,337	4,927,702	6,141,337	4,927,702
Trade and other receivables	2,862,729	3,678,829	2,862,729	3,678,829
	9,004,066	8,606,531	9,004,066	8,606,531

Valuation methods and assumptions

Loans and receivables:
Fair values have been stated at book values due to the short maturities or otherwise immediate or short-term access and realisability.

Financial liabilities

	Carrying value		Fair value	
	12 September 2020 £	14 September 2019 £	12 September 2020 £	14 September 2019 £
Trade and other payables	1,352,990	1,560,618	1,352,990	1,560,618
Borrowings	191,464,770	147,172,123	191,464,770	147,172,123
	192,817,760	148,732,741	192,817,760	148,732,741

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

20 Financial instruments (continued)

Valuation methods and assumptions

Financial liabilities at amortised cost

Fair values of trade and other payables have been stated at book values due to short maturities or otherwise immediate or short-term access and realisability. The fair value of floating rate debt is considered to be approximately the same as the book value of the debt. The fair value of amount dues to group undertakings is considered to be approximately the same as the book value as it is payable on demand.

21 Financial risk management and impairment of financial assets

Credit risk and impairment

Credit risk is the risk that counterparties to financial instruments do not perform according to the terms of contract or instrument. The Company is exposed to counterparty risk when dealing with customers, and from certain financial activities. The immediate credit exposure of financial instruments is represented by those financial instruments that have a net positive value.

Loans and receivables credit risk exposure and management

2020	Maximum amount of exposure £	Provision for doubtful debt £	Carrying value £
Cash and cash equivalents	6,141,337	-	6,141,337
Trade and other receivables	2,862,729	-	2,862,729
	9,004,066	-	9,004,066

2019	Maximum amount of exposure £	Provision for doubtful debt £	Carrying value £
Cash and cash equivalents	4,927,702	-	4,927,702
Trade and other receivables	3,678,829	-	3,678,829
	8,606,531	-	8,606,531

Market risk

Market risk is the risk of movements in the fair value of future cash flows of a financial instruments or forecast transaction as underlying market prices change. The Company is exposed to changes in the interest rates on its floating rate loans.

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

21 Financial risk management and impairment of financial assets (continued)

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is in receipt of an undertaking from its parent company that it will continue to make available such funds as are needed by the Company for a period of 12 months from the date of approval of the financial statements.

22 Related party transactions

Loans from related parties

2020	Parent £
At start of period	99,172,122
Advanced	45,042,648
At end of period	144,214,770

2019	Parent £
At start of period	89,944,781
Advanced	9,227,341
At end of period	99,172,122

23 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is Wittington Investments Limited. ("Wittington")

The ultimate controlling party is Wittington Investments Limited and, through their control of Wittington Investments Limited, the trustees of the Garfield Weston Foundation ("the Foundation"), the Foundation, a grant making trust and registered charity, is the majority shareholder of Wittington Investments Limited. The Trustees of the Foundation are Persons with Significant Control in relation to Wittington, the immediate parent.

Relationship between entity and parents
The parent of the largest group in which these financial statements are consolidated is Wittington Investments Limited, incorporated in England.

The address of Wittington Investments Limited is:
Weston Centre
10 Grosvenor Street
London
W1K 4QY
England

Wittington Investments Limited is also the smallest group in which these financial statements are consolidated.

Notes to the Financial Statements for the Period from 15 September 2019 to 12 September 2020 (continued)

24 Subsequent events

The COVID-19 pandemic has become a worldwide crisis and at the date of this report the situation was still evolving. It has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The outbreak presents uncertainty and risk with respect to the underlying investments, their performance, and financial results. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material impact of the COVID-19 outbreak but the directors anticipate valuations to be adversely impacted. There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.