Company Registration No. 09417510

TRENPORT PROPERTY HOLDINGS LIMITED

Annual Report and Group financial statements

for the year ended 30 June 2022

These revised financial statements replace the original financial statements for the year ended 30 June 2022 which were approved by the board on 29 September 2022. They are now the statutory financial statements of the company for that financial year. In accordance with the Companies Act 2006 (the 'Act'), the financial statements have been revised as at the date of the original financial statements and not as at the date of this revision. Accordingly, they do not deal with events between those dates.

The original financial statements omitted the required disclosure surrounding the provision of a parental guarantee by the company to one of the subsidiaries under S479A of the Act. The revised financial statements have been revised only to include the required disclosure within note 26. There is no effect on any other aspect of the financial statements.

TRENPORT PROPERTY HOLDINGS LIMITED
ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2022

DIRECTORS

A S Barclay
H M Barclay
R J Hall
P L Peters

COMPANY NUMBER

09417510

REGISTERED OFFICE

2nd Floor
14 St George Street
London
W1S 1FE

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

TRENPORT PROPERTY HOLDINGS LIMITED
ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2022

CONTENTS

TRENPORT PROPERTY HOLDINGS LIMITED
ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2022

STRATEGIC REPORT

The directors present their Strategic report of Trenport Property Holdings Limited ("the company" or "TPHL") and its subsidiaries ("the group") for the year ended 30 June 2022.

The directors in preparing this Strategic Report have complied with s414c of the Companies Act 2006.

Principal activities

The company holds investments in subsidiaries whose main business activities are property management, investment, development and trading.

Review of the business and key performance indicators

This set of consolidated financial statements for the year ended 30 June 2022 has been prepared in accordance with International Financial Reporting Standards (IFRSs).

Throughout the current financial year, the market for investment property generally and industrial property in particular remained strong with good prospects going forward. Demand for online products remains strong, resulting in an ongoing demand for the delivery services provided by the major tenants of the existing property portfolio, as well as services of the online tenants. Investment demand for commercial and retail properties remains stable.

Two housing developments commenced during the year with the Rosechurch Homes Limited subsidiary. Notwithstanding the effects of inflation and the supply issues, there were no major problems and the houses should be ready for sale from the second quarter of the financial year to June 2023.

Good progress has been made in both the acquiring of planning consent for the strategic land held and in completing civil engineering and construction works to already consented land.

The Consolidated Statement of Comprehensive Income for the year is set out on page 12. The group and company's Statement of Financial Position are set out on pages 13 and 15 respectively.

A key performance measure for the business is profit before tax. The profit before tax for the year was £31.8m (2021: £22.2m). The profit and total comprehensive income for the year of £24.4m (2021: £29.9m) has been transferred to reserves. The main reason for the increase in revenue was due to the sale of land used for development totalling £44.7m (2021: £10.8m). On 15 October 2021, a property owned in Nuneaton was sold for £25.5m, resulting in a profit of £24.2m. On 17 March 2022, a parcel of land owned at Peters Village was sold for £18.9m resulting in a profit of £3.5m. Both of these properties were previously held as stock in current assets. The selling price is included in turnover and the cost of properties sold is disclosed under cost of sales in the current year.

Another key performance indicator is the net asset position of the group. The net asset value at 30 June 2022 was £158.1m (2021: £172.6m). The decrease in net asset value is due to the payment of dividends of £38.9m, against the profit for the year transferred to reserves of £24.4m.

On 22 June 2022, Primevere Equipment Limited was sold to The Very Group Limited, a fellow subsidiary of the company's holding company for £0.3m, resulting in a consolidated profit on disposal of £0.3m.

At 30 June 2022, properties held by the group, as investment properties were valued using external and internal RICS valuations. This revaluation exercise resulted in a net increase in the valuation of investment properties of £5.8m (2021: £5.2m) which is shown within operating profit for the current year.

STRATEGIC REPORT (continued)

Principal risks and uncertainties and financial risk management

The management of the business and execution of the group's strategy are subject to a number of risks. The principal trading risks are the recoverable value of the group's property portfolio, the continuation of future rental streams from these properties and the uncertainties affecting the process and time taken to meet all planning regulations in order to bring development land to market. This is mitigated through regular review of the property portfolio by the directors.

The other major risks include:

- The ongoing macro-economic impact of transitional Brexit arrangements, and in particular the effect that this has on the ability of the company and group to continue its activities especially in the development of its housing portfolio, where the supply of materials can be negatively affected;
- The continuing impact of the Covid pandemic. Although office working arrangements are back to normal, and future lockdowns are unlikely, the long term effect is that certain goods and service supply chains remain fragile with energy security now being the larger risk.
- Current inflationary pressures, particularly in respect of materials and utilities, combined with the potential risk of recession and increases in the Bank of England base rate, has caused nervousness across the property sector. The increase in the base rate is a risk impacting housing affordability and increasing investment yields and depressing capital values of real estate investment income streams, house prices and market liquidity. However, the demand and scarcity of assets held and developments in hand underpin the Groups' assets.
- The conflict in Ukraine has disrupted some supplies, especially in the supply of gas and other fuels, and has been one of the major causes of inflation.

Management are continually assessing the market, especially in respect of the supply of materials used in our developments. Although these risks are ongoing, management believe that the risks and uncertainties associated with them will not have a material impact on the company or the group.

The group's property activities expose it to a variety of financial risks, including credit risk, liquidity risk and interest rate and cash flow risk. The group's overall financial risk management objective is to minimise the potential adverse effects on the financial performance of the group.

(a) Credit risk

Credit risk arises from the cash streams of the property portfolios which it owns and manages. The amounts presented in the group Statement of Financial Position are net of allowances for doubtful receivables, estimated on prior experience and assessment of the current economic climate. The rental income earned from third parties is not material, and provision is made as soon as there is a credible risk of non-payment of a receivable.

(b) Liquidity risk

The group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funding requirements for working capital. The group has debt facilities that are designed to ensure it has sufficient available funds for operations and planned expansions.

(c) Interest rate and cash flow risk

The group has interest bearing liabilities which consist of external loan commitments.

(d) Foreign currency risk management

The group has undertaken certain transactions denominated in a foreign currency. Hence, exposures to exchange rate fluctuations have arisen. It has not been the policy of the group to enter into forward foreign exchange contracts to cover the specific foreign currency payments nor the foreign currency loan exposure. However, following the disposal of Primevere Equipment Limited to a fellow subsidiary of the group's holding company, these exposures have ceased.

STRATEGIC REPORT (continued)

Future outlook

The risks that the United Kingdom and the group are facing with the implications these may have on the group's trade, customers, suppliers and the wider economy, are regularly assessed by management.

- Management continually monitor supplies of both raw materials and energy. Where supplies have been disrupted due to the conflict in Ukraine, alternatives have been found. The risks of the other potential conflicts have also been noted, but are likely to have much less of an impact than the Covid pandemic.

- New schemes are being carefully assessed to reduce uncertainty whether that be for cost, price or liquidity.

The directors remain confident on the trading outlook of the investment and development properties and land owned by the business.

Approved and authorised for issued by the board, and signed on its behalf by:

DocuSigned by:
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R J Hall
Director
29 September 2022

DIRECTORS' REPORT

This report contains the statutory information disclosed in addition to that set out in the separate Strategic Report. Information relating to the future development of the business and financial risk management which would otherwise be included in the Directors' Report, are included in the Strategic Report.

This set of consolidated financial statements for the year ended 30 June 2022 has been prepared in accordance with International Financial Reporting Standards (IFRSs).

Directors

The directors, who served throughout the year and up to the date of the signing of the financial statements, except as noted, were as follows:

A S Barclay
H M Barclay
R J Hall
P L Peters
N J Hopper resigned 31 July 2021

Going concern

As referred to in the accounting policies, the directors have concluded that the group and company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

In determining whether the group and company's accounts can be prepared on a going concern basis, the directors considered the group and company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities. These have been appraised in the light of the uncertainty in the current economic climate, with particular regard to the potential impact of global supply issues caused by the Brexit transitional arrangements, the impact of Covid and the war in Ukraine, interest rate rises, and the resulting effect this has had on inflation and the availability of goods and services.

The demand for residential homes outside of London and residential housing developments has remained very strong. The group is developing land that it owns, and despite the increase in the prices of raw materials, these projects are still due to be delivered within the projected time frame, in line with cost budget and at a good profit.

The directors are satisfied that the current financial plans are deliverable and will enable the group to continue to meet its liabilities as they fall due in the foreseeable future and for a period of at least 12 months subsequent to approval of the financial statements. A full risk analysis has been carried out against the current financial plans and the directors consider that the existing plans are robust and deliverable.

Dividends

The company declared and paid a dividend of £38.9m during the year (2021: £16.9m). This amounts to a dividend per share of £0.312 (2021: £0.135). No dividends have been proposed after the year end.

Elective resolutions

The company has passed elective resolutions to dispense with the holding of annual general meetings and for the laying of the Annual report and financial statements before the company in general meetings, until such time as the elections are revoked.

DIRECTORS' REPORT (continued)

Future developments

Future developments are discussed within the 'Future outlook' section of the Strategic Report.

Employees' involvement

The company and group have continued to maintain the commitment to employee involvement throughout the business. Employees are kept well informed of the performance and objectives of the company and group through personal briefings, regular meetings and e-mail.

Equal opportunities

The company and group are committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement.

It is the group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

Sustainability

The group is mindful of the need and impact of sustainability on the built environment and the companies' assets. Environmental Regulation, risk and impact on both rental and capital values are considerations for the businesses.

The company maintains Energy Performance Certificates for each of its premises and has and continues to improve energy efficiency and de-carbonising through insulation, modernising electrical installations, removing oil fired systems and tanks and asbestos removal.

Flood and contamination risks are always a consideration during acquisition and sites are managed to reduce such risks whether that be through measures such as attenuation of run-off or ground remediation.

The group's development companies believe that good environmental management is integral to generating good profit in addition to being necessary to meet statutory requirements. The Town and Country planning process regularly requires full Environmental Impact Assessments detailed flood risk analysis and mitigation and site remediation and risk management for assets and human health.

Premises are designed to satisfy increasingly demanding building regulation codes for sustainable construction. Additional industry standards such as BREEAM are generally assessed as "Very Good".

The housebuilding business is mindful of the requirement for continuous improvement and have an ongoing development of new unit types using the latest material technology, construction methods, waste management, new electrical and mechanical systems including the shift to electric vehicles and from gas to electric for sources of heat and assessment of occupational costs.

The businesses also invest in environmental conservation and in particular with local Wildlife Trusts. The administrative company, St James Street Property Management Limited, is very aware of the objectives of the operating companies' drive to environmental excellence and the impact and potential of climate change on the group's assets.

Office energy consumption is expected to fall following the move to smaller premises and with the continuation of "working from home" which has naturally reduced carbon production from commuting. Single use plastics are being eliminated where possible and office waste is separated and where possible, recycled.

DIRECTORS' REPORT (continued)

Statement to disclose information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP have indicated their willingness to continue in office pursuant to section 487 of the Companies Act 2006.

Events after the Statement of Financial Position date

There were no events after the Statement of financial position date that require disclosure.

Approved and authorised for issue by the Board, and signed on its behalf by

DocuSigned by:
RJ Hall
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R J Hall
Director
29 September 2022

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 financial statements in accordance with International Financial Reporting Standards (IFRSs) adopted by the United Kingdom. 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 and company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable the users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the group and company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRENPORT PROPERTY HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Trenport Property Holdings Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2022 and of the group's profit for the year then ended;
- the group's financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and the United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRENPORT PROPERTY HOLDINGS LIMITED (continued)

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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team and relevant internal specialists such as tax regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRENPORT PROPERTY HOLDINGS LIMITED (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- Valuation of investment property: We challenge the principal assumptions used to derive the open market value through a number of procedures. These include the review of equivalent yields against market rates, challenge of methodology, substantive testing of committed rent receivable and the assessment of disposals against fair values held.
- Valuation of property held as stock: At any point in time, the company holds significant levels of inventory, including work in progress. The significant risk has been pinpointed to ensuring the inventory is correctly stated at the lower of cost and net realisable value. We have challenged these valuations with reference to external benchmarks and market conditions to ensure the inventory is correctly stated at the lower of cost and net realisable value.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters 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 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.

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

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRENPORT PROPERTY HOLDINGS LIMITED (continued)

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.

DocuSigned by:
Rachel Argyle
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Rachel Argyle (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
29 September 2022

TRENPORT PROPERTY HOLDINGS LIMITED
ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022 £'m	2021 £'m
Revenue	3	**49.4**	21.5
Cost of sales		**(16.7)**	(8.3)
Gross profit		**32.7**	13.2
Administrative expenses		**(6.3)**	(7.9)
Revaluation of investment properties	8	**5.8**	5.2
Operating profit		**32.2**	10.5
Profit on disposal of group undertakings		**0.3**	15.9
Finance income	3, 19	**0.6**	0.4
Finance costs	5	**(1.3)**	(4.6)
Profit before tax	4	**31.8**	22.2
Tax on profit	7	**(5.9)**	4.2
Profit for the year from continuing operations		**25.9**	26.4
Results of discontinued operations	12	**(1.5)**	3.5
Profit and total comprehensive income for the financial year		**24.4**	29.9

The above results were derived from continuing and discontinued operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2022 £'m	2021 £'m
Non-current assets			
Tangible assets	8	**50.8**	104.5
Right of use asset	9	**1.8**	1.9
Intangible assets	10	**-**	-
Trade and other receivables	11	**127.6**	128.0
		180.2	234.4
Current assets			
Inventories	13	**19.6**	26.5
Trade and other receivables	11	**2.1**	7.9
Deferred tax asset	21	**-**	0.1
Cash at bank		**5.4**	10.3
		27.1	44.8
Total assets		**207.3**	279.2
Current liabilities			
Bank and other borrowings	15	**(0.6)**	(9.9)
Trade and other payables	14	**(18.9)**	(26.5)
Lease liabilities	19	**(1.0)**	(1.5)
		(20.5)	(37.9)
Net current assets		**6.6**	6.9
Non-current liabilities			
Bank and other borrowings	15	**(14.1)**	(53.2)
Provisions	20	**(3.8)**	(4.1)
Lease liabilities	19	**(10.5)**	(11.4)
Deferred tax liability	21	**(0.3)**	-
		(28.7)	(68.7)
Total liabilities		**(49.2)**	(106.6)
Net assets		**158.1**	172.6
Capital and reserves			
Share capital	22	**124.9**	124.9
Merger reserve	22	**(24.5)**	(24.5)
Other reserves	22	**19.0**	19.0
Revaluation reserve	22	**-**	4.3
Profit and loss account	22	**38.7**	48.9
Total shareholders' funds		**158.1**	172.6

The financial statements for Trenport Property Holdings Limited, company number 09417510 are presented on pages 12 to 43 and were approved and authorised for issue by the Board of Directors on 29 September 2022 and were signed on its behalf by:

DocuSigned by:
RJ Hall
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RJ Hall
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called up share capital	Merger reserve	Other reserves	Revaluation reserve	Profit and loss account	Total equity
	£'m	£'m	£'m	£'m	£'m	£'m
Notes	*22*	*22*	*22*	*22*	*22*	*22*
As at 1 July 2020	**124.9**	**(24.5)**	**19.0**	**4.3**	**35.9**	**159.6**
Profit and total comprehensive income for the financial year	-	-	-	-	29.9	29.9
Dividends paid	-	-	-	-	(16.9)	(16.9)
As at 1 July 2021	**124.9**	**(24.5)**	**19.0**	**4.3**	**48.9**	**172.6**
Revaluation reserve transferred to profit and loss	-	-	-	**(4.3)**	**4.3**	-
Profit and total comprehensive income for the financial year	-	-	-	-	**24.4**	**24.4**
Dividends paid	-	-	-	-	**(38.9)**	**(38.9)**
As at 30 June 2022	**124.9**	**(24.5)**	**19.0**	-	**38.7**	**158.1**

COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2022 £'m	2021 Restated £'m
Non-current assets			
Investments	12	**244.2**	259.2
Trade and other receivables	11	**123.4**	123.4
		367.6	382.6
Current assets			
Trade and other receivables	11	**29.9**	26.1
Total assets		**397.5**	408.7
Current liabilities			
Trade and other payables	14	**(267.4)**	(251.4)
Net current liabilities		**(237.5)**	(225.3)
Total assets less current liabilities being net assets		**130.1**	157.3
Capital and reserves			
Called up share capital	22	**124.9**	124.9
Profit and loss account	22	**5.2**	32.4
Total shareholders' funds		**130.1**	157.3

The company reported a profit for the financial year ended 30 June 2022 of £11.7m (2021 restated: £65.1m). The 2021 accounts have been restated due an impairment of the investments in subsidiary companies (note 2).

The financial statements for Trenport Property Holdings Limited, company number 09417510 are presented on pages 15 to 43 and were approved and authorised for issue by the Board of Directors on 29 September 2022 and were signed on its behalf by:

DocuSigned by:
RJ Hall
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R J Hall
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

	Notes	Called up share capital	Profit and loss account restated	Total equity restated
		£'m	£'m	£'m
		22	22	22
As at 1 July 2020		124.9	(15.8)	109.1
Profit for the financial year and total comprehensive income (restated)		-	65.1	65.1
Dividends paid		-	(16.9)	(16.9)
As at 1 July 2021 (restated)		**124.9**	**32.4**	**157.3**
Profit for the financial year and total comprehensive income		-	**11.7**	**11.7**
Dividends paid		-	**(38.9)**	**(38.9)**
Balance at 30 June 2022		**124.9**	**5.2**	**130.1**

CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of profit for the year to net cash outflow from operating activities

	Notes	2022 £'m	2021 £'m
Profit for the financial year from continuing operations		**25.9**	29.9
Profit for the financial year from discontinued operations		**(1.5)**	-
		24.4	
Depreciation	*8, 12*	**6.5**	6.3
Revaluation of investment properties and land and buildings	*8*	**(5.8)**	(5.2)
Profit on disposal of group undertakings		**(0.3)**	-
Profit on disposal of non-current assets		**-**	(15.9)
Decrease in lease provisions	*20*	**(0.1)**	(1.1)
Finance costs	*5, 12*	**3.3**	5.5
Finance income		**(0.6)**	(0.4)
Taxation	*7*	**5.9**	(4.2)
Operating cash flow before movement in working capital		**33.3**	14.9
Decrease in inventories		**6.9**	4.7
Decrease in trade and other receivables		**2.6**	5.2
Increase/(decrease) in trade and other payables		**3.8**	(6.8)
		46.6	18.0
Interest paid		**(0.9)**	(13.8)
Cash inflow from operating activities		**45.7**	4.2

CONSOLIDATED CASH FLOW STATEMENT (Continued)

	2022		2021	
	£'m	**£'m**	£'m	£'m
Net cash generated from operating activities	**45.7**		4.2	
Taxation paid	**0.1**		-	
Net cash flows from operating activities		**45.8**		4.2
Cash flow from investing activities:				
Purchase of tangible fixed assets	**(1.8)**		-	
Proceeds from sale of subsidiary	**0.3**			
Proceeds from sale of properties	**-**		121.9	
Net cash used in investment activities		**(1.5)**		121.9
Cash flows from financing activities:				
Repayment of borrowings	**(9.9)**		(108.7)	
Receipts from subleases	**1.6**		1.8	
Payment of lease liabilities	**(2.0)**		(2.6)	
Dividends paid	**(38.9)**		(16.9)	
Net cash from financing activities		**(49.2)**		(126.4)
Net decrease in cash at bank and in hand		**(4.9)**		(0.3)
Cash and cash equivalents at beginning of year		**10.3**		10.6
Cash and cash equivalents at end of year *		**5.4**		10.3

* Cash and cash equivalents is cash held at bank.

NOTES TO THE FINANCIAL STATEMENTS

1. Company information

Trenport Property Holdings Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006, with a company registration number 09417510, registered and domiciled in England and Wales. The registered office is 2nd Floor, 14 St George Street, London, W1S 1FE.

The principal activities of the company and its subsidiaries are set out in the Strategic Report.

2. Statement of accounting policies

Statement of compliance

The group financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006. The company has elected to prepare its parent company financial statements in accordance with FRS 101.

Summary of significant accounting policies and key accounting estimates

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the current and prior years.

Basis of preparation

The group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the United Kingdom and therefore the Group Financial Statements comply with the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The financial statements are drawn up to the Saturday nearest to 30 June, or to 30 June where this falls on a Saturday.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

New and revised standards and interpretations effective

The Group has applied the following standards, interpretations and amendments with effect from 28 June 2021:

- IFRS 17 (including June 2020 Amendments), *Insurance Contracts*
- Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to IFRS 3, *Reference to the Conceptual Framework*
- Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to IAS 8, *Definition of Accounting Estimates*
- Amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to IAS 16, *Property, Plant and Equipment—Proceeds before Intended Use*
- Amendments to IAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to IFRS Standards, *Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture*

The changes listed above did not result in material changes to the Group's Consolidated Financial Statements.

New standards, interpretations and amendments not yet effective

A number of new standards and interpretations have been issued but are not yet effective for the group. These standards are either not expected to have a material effect on the Consolidated Financial Statements or they are not currently relevant for the group.

2. Statement of accounting policies (continued)

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings. Intragroup sales and profits are eliminated on consolidation. As permitted by section 408 of the Companies Act 2006, no separate Statement of Comprehensive Income of the company is presented in respect of the parent company. The profit (2021: profit) attributable to the parent company is disclosed in the footnote to the company's Statement of Financial Position.

The financial statements have been prepared to meet the overriding requirements under section 404 of the Companies Act 2006 for financial statements to present a true and fair view. Under merger accounting the results of the subsidiaries are combined from the beginning of the comparative period before the merger occurred. Consolidated Statement of Comprehensive Income and Statement of Financial Position comparatives are restated on a combined basis and adjustments made to achieve consistency of accounting principles.

Going Concern

In determining whether the group's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities. These are set out within the Strategic Report and the Report of the Directors.

Based on the company's cash flow forecasts, the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for at least twelve months from the signing of the accounts. Accordingly, they continue to adopt the going concern basis in the preparation of the Annual report and financial statements.

Further details can be found in the Directors' Report.

Revenue recognition

Property revenue, which excludes value added tax, represents sales of agricultural, residential and commercial land and buildings and rental income. Revenue is recognised, for rental income earned on an accruals basis over the lease term and for property disposals on unconditional completion of contracts.

Operating profit

Operating profit is stated after exceptional costs but before profit on disposal of non-current assets, finance income and finance costs.

Foreign currency transactions and balances

The group does not trade speculatively in foreign currency; foreign currency is held purely to satisfy payments to suppliers, primarily for goods for resale.

Foreign currency purchases are expressed in Sterling at the exchange rate fixed at the point of purchase (the contract rate). At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Investment in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures is stated at cost plus incidental expenses less provision for impairment. Joint ventures are consolidated if overall control can be ascertained and the amounts are material to the group's results.

Inventories

Land held for development and construction work in progress is valued at the lower of cost and net realisable value. Cost includes appropriate directly attributable overheads. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Inventory values are reviewed regularly to check for potential impairments, and these are expensed to profit or loss when identified.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Statement of accounting policies (continued)

Financial instruments

Classification

IFRS 9 Financial Instruments contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL).

Financial assets are classified at amortised cost if held within a business model where the objective is to hold the asset to collect its contractual cash flows and the contractual terms of the financial asset give rise to cash flows on specified dates that represent payments of solely principal and interest on the outstanding principal amount, provided it has not been designated as FVTPL.

Financial assets and financial liabilities are recognised in the group's Consolidated Statement of Financial Position when the group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Consolidated Statement of Comprehensive Income.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(i) Financial assets

Basic financial assets are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the Consolidated Statement of Comprehensive Income.

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 the Consolidated Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Statement of accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at measured cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Tangible assets

Investment properties

Investment properties for which fair value can be measured reliably are measured at fair value annually by the directors or RICS qualified external valuers. Any change is recognised in the Consolidated Statement of Comprehensive Income. Investment properties are derecognised upon completion of their sale or change of use.

Freehold land and buildings are not revalued to fair market value.

Fixtures, fittings and equipment

Fixtures, fittings and equipment are measured at cost. Depreciation is provided on all tangible assets, other than investment properties and freehold land, at rates calculated to write down the cost or valuation to their estimated residual values by equal annual instalments over their estimated useful working lives as follows:

Freehold land	not depreciated
Freehold buildings	over a period up to 50 years
Leasehold land and buildings and improvements	shorter of 50 years or remaining life of lease
Fixtures, fittings & equipment	3 to 10 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Where required, assets are stated less provision for impairment.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised within administrative expenses on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Useful economic lives are as follows:

Software costs	3 – 7 years

Assets held for sale

Assets held for sale are not depreciated but are held at the lower of cost or net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Statement of accounting policies (continued)

Bank borrowings

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Consolidated Statement of Comprehensive Income in the period in which they are incurred.

Cash and cash equivalents

Cash at bank in the Statement of Financial Position comprises cash at bank and in hand.

Leases

(i) The group as a lessee

At the inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The group recognises a right-of-use asset and a lease liability at the lease commencement date which is the date at which the asset is made available for use by the group.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Where the lease contains a purchase option, the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised. Right-of-use assets are subject to impairment testing.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate known at the commencement date, payments for a purchase option, payments for an optional renewal period and termination option payments if the group is reasonably certain to exercise those options. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applied judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest implicit in the lease or where this cannot be readily determined, the lessee's incremental borrowing rate which is assumed to be between 4.76% and 5.21%. After the commencement date, the lease liability is measured at amortised cost using the effective interest method. It is re-measured if there is a modification, a change in future lease payments arising from a change in an index or rate, or if the group changes its assessment of whether it is reasonably certain to exercise an option within the contract.

The group has elected to apply the recognition exemptions for short-term and low-value leases and recognises the lease payments associated with these leases as an expense in profit or loss on a straight- line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less. Low-value assets with a cost less than £3,000.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Statement of accounting policies (continued)

Leases (continued)

(ii) The group as a lessor

The group enters into lease agreements as a lessor with respect to some of its investment properties. The group also rents equipment to a retailer within the wider group.

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

Pension costs

Contributions are made to the personal plans of certain employees. The expenditure is charged to the Consolidated Statement of Comprehensive Income in the period to which it relates. The value of pension costs outstanding at the year end was £nil (2021: £nil).

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company 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 year-end date, taking into account the risks and uncertainties surrounding the obligation. When some of the economic benefits required to settle a provision are expected to be recovered from a third party, the provision is reduced by this amount.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Statement of accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the year-end date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the year-end date.

Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Restatement

Dividends paid in year ending 30 June 2021 by subsidiary companies resulted in an impairment of the investments in those companies totalling £47.6m. This impairment should have been recognised in the prior year. It is shown as a restatement of the profit for the financial year and total comprehensive income of the company, and the investment in subsidiary companies (see note 12).

The impact of the restatement has been to reduce net profit from £112.7m to £65.1m and to reduce the net asset value from £204.9m to £157.3m.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Statement of accounting policies (continued)

Critical judgements in applying the group's accounting policies

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider there to be any critical accounting judgements that must be applied.

Key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

Investment properties
A key source of estimation and uncertainty relates to the valuation of investment properties where a valuation is obtained annually, as at 30 June, either by professional qualified external valuers, or by the group's own internal qualified staff. The valuations are based upon assumptions including contractual and estimated rental values, future rental income, future development costs and appropriate discount rates. The valuers also refer to market evidence of transaction prices for similar properties. For 30 June 2022, the effects of Brexit, the Covid pandemic and the conflict in Ukraine are still being felt with supply shortages and inflationary cost increases. However, the demand for the investment and development property that the group has invested in remains strong. The current carrying value at year end is £50.4m (2021: £44.4m). See note 8 for further details.

The valuation techniques used are consistent with IFRS 13 and use significant observable data such as market prices. Investment properties are all at level 2 in the fair value hierarchy and valuations represent the highest and best use of the properties. There have been no changes in valuation techniques since the prior year and no transfers between the fair value hierarchy levels in the current or prior year.

Valuation of inventory
At any point in time, the group holds significant levels of inventory, including work in progress. Land development is complex with long lead times until a site is ready for sale. Assessments are made over the valuation of the land, either by professional qualified external valuers, or by the company's own internal qualified staff to ensure the inventory is correctly stated at the lower of cost and net realisable value. The assessment is based on both current and future development costs, appropriate discount rates and market evidence of transactions for similar properties classed as inventory. The current value at year end is £19.6m (2021: £26.5m). See Note 13 for further details.

Provisions
Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event. The current provision is the net position for the onerous leases for the period up to 2040. The assumptions made are therefore highly subjective and subject to a large degree of uncertainty, especially with regards to amounts and terms of future leases. The current value at year end is £3.8m (2021: £4.1m). See Note 20.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Revenue

Analysis by category:

	2022	2021
	£m	£m
Trading property sales	44.7	11.1
Rental income	3.3	8.8
Income from right of use assets	0.2	0.2
Management fees	1.2	1.4
	49.4	21.5

Revenue is all generated in the United Kingdom.

	2022	2021
	£m	£m
Finance income	0.6	0.4

Finance income represents the unwinding of discounting on the subleases.

On the basis that the group has no publicly traded equity or debt securities, the directors have taken the exemption available under IFRS 8 'Operating Segments' not to disclose reporting data for business segments.

4. Analysis of profit before tax

Profit before tax is stated after charging/(crediting):

	2022	2021
	£m	£m
Direct property costs	2.0	1.9
Depreciation of tangible assets	-	0.6
Depreciation of right of use assets	0.1	0.3
Revaluation gain of investment properties	(5.8)	(5.2)
Release of onerous lease provision	(0.3)	(1.1)

The depreciation charged on the non-current assets that are in the discontinued operation are not included in the profit before tax but are disclosed in note 8 and in note 12.

There are no non-audit fees payable to the auditor in the current year or prior year. Audit fees for the group of £188k (2021: £159k) was payable by the group, of which £75k (2021: £74k) was payable by the company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Finance costs

	2022 £m	2021 £m
Interest payable on bank loans and overdrafts	0.7	5.9
Interest expense on leased assets (note 19)	0.6	0.7
Loss on foreign exchange	-	(3.1)
Bank facility costs amortised	0.1	1.4
Borrowing costs capitalised	(0.1)	(0.3)
Net Interest expense	1.3	4.6

6. Employees and directors

The company has no employees and hence no associated cost, so the employee and director costs are in respect of group companies.

	2022 £m	2021 £m
Staff costs (including part-time staff and directors) during the year:		
Wages and salaries	2.1	1.8
Social security costs	0.2	0.3
Defined contribution pension costs	0.1	0.1
	2.4	2.2

Average monthly number of full time equivalents (including part-time staff and directors) employed:	2022 Number	2021 Number
Administration	20	18

Directors' remuneration	2022 £m	2021 £m
Emoluments	0.8	0.7
Defined contribution pension costs	-	-
	0.8	0.7

Highest paid Director:	2022 £m	2021 £m
Aggregate emoluments	0.6	0.7

During the current year 3 directors have been remunerated by the group (2021: 2). The other directors have been remunerated by other companies within the wider group. The directors are deemed to be the key management personnel.

During the year retirement benefits have accrued to no directors (2021: same) under defined contribution schemes.

During the year there were no other emoluments or associated employment costs. All employee benefits are classed as short term in nature.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Tax on profit

The tax charge is based on the profit for the year and represents:

	2022 £m	2021 £m
Current taxation:		
Total current tax	**5.4**	-
Deferred taxation:		
Origination and reversal of timing differences	**0.5**	(4.2)
Tax charge/(credit) on profit	**5.9**	(4.2)

The current tax charge assessed for the year is different to the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

	2022 £m	2021 £m Restated
Profit before tax	**31.8**	22.2
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19.0%)	**6.0**	4.2
Effects of:		
Discontinued operation	**(0.3)**	0.7
Prior year adjustment	-	0.2
Deferred tax not recognised	**(0.3)**	(0.6)
Transfer pricing adjustment	**0.8**	0.8
Effect of change in tax rate	**(0.3)**	-
Tax effect of items not chargeable to tax	-	0.2
Group relief losses not paid for	-	(9.7)
Tax charge/(credit) on profit	**5.9**	(4.2)

The group earns its profits primarily in the UK. Therefore, the tax rate used for tax on profit is the standard rate of UK corporation tax of 19.0% (2021: 19.0%).

In the Finance Act 2021 which was enacted on 10 June 2021, the main rate of corporation tax was scheduled to increase with effect from 1 April 2023 from 19% to 25%. However, in the September 2022 Mini Budget, it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and as a result the deferred tax balances as at 30 June 2022 continue to be measured at the hybrid 20.5%/full 25% rate noted above. The estimated impact of the reversal of the corporation tax rate increase would be to increase the deferred tax liability by £0.3m.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Tangible assets

(a) Tangible assets

Group	Land & buildings £m	Investment properties £m	Furniture, Fixtures & Equipment £m	Assets held for sale £m	Total £m
Cost or valuation					
At 1 July 2020	**10.4**	**133.7**	**66.6**	**15.6**	**226.3**
Additions	-	-	1.9	-	1.9
Reclassification	(9.9)	9.9	1.6	(1.6)	-
Revaluation	-	5.2	-	-	5.2
Disposals	-	(104.4)	(1.7)	(14.0)	(120.1)
At 30 June 2021	**0.5**	**44.4**	**68.4**	**-**	**113.3**
Additions	-	0.1	1.6	-	0.7
Revaluation	-	5.8	-	-	5.8
Disposals	-	-	(0.4)	-	(0.4)
Disposal of subsidiary investment (note 12)	-	-	(69.1)	-	(68.1)
At 30 June 2022	**0.5**	**50.3**	**0.5**	**-**	**51.3**
Depreciation					
At 1 July 2020	**(0.1)**	**-**	**(2.8)**	**-**	**(2.9)**
Charged in the year	-	-	(6.0)	-	(6.0)
Disposals	-	-	0.1	-	0.1
At 30 June 2021	**(0.1)**	**-**	**(8.7)**	**-**	**(8.8)**
Charged in the year	-	-	(6.4)	-	(6.4)
Disposals	-	-	0.4	-	0.4
Disposal of subsidiary investment (note 12)	-	-	14.3	-	14.3
At 30 June 2022	**(0.1)**	**-**	**(0.4)**	**-**	**(0.5)**
Net book value					
At 30 June 2022	**0.4**	**50.3**	**0.1**	**-**	**50.8**
At 30 June 2021	0.4	44.4	59.7	-	104.5

Tangible assets with a carrying value of £42.2m (2021: £104.1m) are pledged as security for the group's bank loans.

The land and buildings and investment property held by the group are freehold and leasehold.

A key source of estimation and uncertainty relates to the valuation of investment properties and land and buildings where a valuation is obtained annually, as at 30 June, either by professional qualified external valuers, or by the parent company's own internal qualified staff. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. For 30 June 2022, the effects of Brexit, the Covid pandemic and the war in Ukraine are still being felt with supply shortages and cost increases. However, the demand for the investment and development property that the group has invested in remains strong.

The company has no tangible assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Tangible assets (continued)

(b) Net book value of investment property and land and buildings at historical cost

The group's total freehold land and buildings, and freehold and leasehold investment properties were valued as at 30 June 2022 based on the open market value provided by RICS qualified external valuers and by the companies' RICS qualified internal valuers. The valuations were performed in accordance with Red Book principles. Revaluations are carried out by internal RICS qualified valuers at least every year and by RICS qualified external valuers at least every three years. Of the total value at 30 June 2022 of £50.3m, 14% was valued by external valuers and 86% was valued internally (2021: 100% valued internally).

The leasehold investment property is classed as long-term as the lease expires in 2109. It was valued internally at £7.6m (2021: £6.8m).

9. Right of use asset

Group	**£m**
Cost	
At 1 July 2020	2.6
At 30 June 2021	**2.6**
Disposal	(0.6)
At 30 June 2022	**2.0**
Accumulated depreciation	
At 1 July 2020	(0.4)
Charge for year	(0.3)
At 30 June 2021	**(0.7)**
Charge for year	(0.1)
Disposal	0.6
At 30 June 2022	**(0.2)**
Net book value	
At 30 June 2022	**1.8**
At 30 June 2021	1.9

The right of use asset relates to the Riverdale leasehold property in Lewisham. The value is due to the fact that the lease matures in June 2069, yet the major tenant's lease terminated in March 2022. The tenant has indicated they will renew their lease, but at a lower rental, so the right of use asset is held at its value which is deemed to be the recoverable amount under the new expected lease.

The company has no right of use assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Intangible assets

Group	Computer software £m
Cost or valuation	
At 1 July 2020	0.9
Disposal	(0.4)
At 30 June 2021	**0.5**
Disposal	(0.2)
At 30 June 2022	**0.3**
Accumulated amortisation	
At 1 July 2020	(0.8)
Charge for year	-
Disposal	0.3
At 30 June 2021	**(0.5)**
Charge	-
Disposal	0.2
At 30 June 2022	**(0.3)**
Net book value	
At 30 June 2022	-
At 30 June 2021	-

The company has no intangible assets.

11. Trade and other receivables

Non-current assets	**Group 2022 £m**	Group 2021 £m	**Company 2022 £m**	Company 2021 £m
Sublease debtors (note 19)	**4.2**	4.6	-	-
Intercompany debtor	**123.4**	123.4	**123.4**	123.4
	127.6	128.0	**123.4**	123.4

The inter-company debtor is owed by the parent company. It is treated as a non-current asset, as the balance will be used on a continuing basis and will not be realised within the normal course of business, nor within 12 months after year end. The amount owed by the parent company is unsecured, interest free and repayable on demand.

Current assets	**Group 2022 £m**	Group 2021 £m	**Company 2022 £m**	Company 2021 £m
Trade receivables	**0.7**	3.0	-	-
Amount owed by group undertakings	-	-	29.9	26.1
Prepayments and accrued income	**0.2**	3.0	-	-
Sublease debtors (note 19)	**0.9**	1.8	-	-
Other receivables	**0.3**	0.1	-	-
	2.1	7.9	**29.9**	26.1

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Trade and other receivables (continued)

Amounts owed by group undertaking are unsecured, interest free and repayable on demand. The directors consider that the carrying amount of trade receivables approximates to their fair value.

12. Investments

Shares in group undertakings:	**Company**
	£m
At 1 July 2020	306.8
Impairment (restated)	(47.6)
At 30 June 2021(restated)	**259.2**
Acquisitions	**0.6**
Impairment	**(15.6)**
At 30 June 2022	**244.2**

Dividends paid in year ending 30 June 2021 by subsidiary companies resulted in an impairment of the investments in those companies totalling £47.6m. This impairment is shown as a restatement of the profit for the financial year and total comprehensive income of the company, and the investment in subsidiary companies.

On 22 June 2022, the company sold its investment in Primevere Equipment Limited to The Very Group Limited, which is a subsidiary of the group's Holding company, Shop Direct Holdings Limited. The investment was held at cost of £1 and was sold for £0.3m, with a net asset value at the date of sale of £0.1m, resulting in a consolidated profit on disposal of £0.3m. The results of Primevere Equipment Limited for the current year to the date of disposal are disclosed under results of discontinued operations in the Consolidated Statement of Comprehensive Income.

(Loss)/profit for the year from discontinued operations:	**2022**	2021
	£m	£m
Revenue	**6.8**	7.5
Depreciation	**(6.4)**	(6.0)
Finance costs	**(1.2)**	(0.9)
Foreign exchange (loss)/gain	**(0.7)**	3.0
Administrative expenses	**-**	(0.1)
	(1.5)	3.5

On 29 June 2022, the company acquired the entire share capital of the following companies from it's subsidiary company, Trenport Investments Limited, at their net asset value.

	£m
Eurolink Management Limited	-
Eurolink 5 Management Limited	-
Europower Networks Limited	**0.3**
Pit Properties Limited	-
Ryton Utilities Limited	**0.3**
Trenport Teynham General Partner Limited	-
	0.6

See note 26 for listing of subsidiaries and joint ventures.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Inventories

	Group 2022 £m	Group 2021 £m
Land held for development and resale	**19.6**	26.5

The company holds no inventories.

The land with a book value of £nil (2021: £18.6m) is pledged as security for the group's bank loans.

The total amount of borrowing costs capitalised in the year are £0.1m (2021: £0.3m).

During the year stock with a cost of £15.4m (2021: £8.3m) was recognised as cost of sales.

14. Trade and other payables

	Group 2022 £m	Group 2021 £m	**Company 2022 £m**	Company 2021 £m
Amounts due to fellow subsidiaries	**8.5**	20.3	**267.3**	251.3
Trade payables	**0.3**	0.2	-	-
Other payables	**4.1**	2.8	**0.1**	0.1
Accruals and deferred income	**0.5**	0.3	-	-
Corporation tax	**5.4**	-	-	-
Other tax and social security	**0.1**	2.9	-	-
	18.9	26.5	**267.4**	251.4

Amounts owed to fellow subsidiaries, are unsecured, interest free and repayable on demand. The directors consider that the carrying amount of trade payables approximates to their fair value.

15. Bank and other borrowings

	Group 2022 £m	Group 2021 £m
Bank loans due within one year	**0.6**	9.9
Bank loans due after more than one year	**14.1**	53.2
	14.7	63.1

Maturity of financial liabilities	**Group 2022 £m**	Group 2021 £m
Due within one year or less, or on demand	**0.6**	9.9
Due in more than one year but not more than two years	**0.6**	7.1
Due in more than two years but not more than five years	**1.2**	21.0
Due in five years or more	**12.3**	25.1
	14.7	63.1

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Bank and other borrowings (continued)

The bank loan facilities are denominated in sterling and Euros. At the year end the group had no outstanding Euro denominated loans (2021: £48.7m). Those in sterling bear interest at SONIA (2021: LIBOR) plus a margin ranging from 1.0% to 4.5%. These bank loans are secured by legal charges over tangible non-current assets and stock of the group and are repayable between April 2024 and January 2029.

On 22 June 2022, the company sold its investment in Primevere Equipment Limited to The Very Group Limited, which is a subsidiary of the group's holding company, Shop Direct Holdings Limited. This disposal resulted in the cessation of the foreign exposure risk as this was the only foreign currency loan.

Borrowing costs capitalised of £0.1m (2021: £0.3m) has been capitalised into inventories. See note 13.

The company holds no borrowings.

16. Financial instruments

The group uses fair values to measure its financial instruments using the following classifications:

Level 1 – Quote prices on active markets for identical financial instruments.
Level 2 – Fair value derived from observable data such as market prices.
Level 3 – Measurement rely on significant inputs not based on observable market data

Financial assets	**Group 2022 £m**	Group 2021 £m
Trade and other receivables at amortised cost		
Trade receivables	**0.7**	3.0
Other receivables	**0.3**	0.1
Sublease debtors	**5.1**	6.4
Amounts owed by group undertakings	**123.4**	123.4
	129.5	132.9

Financial liabilities	**Group 2022 £m**	Group 2021 £m
Financial liabilities at amortised cost		
Loan and other borrowings	**14.7**	63.1
Trade payables	**0.3**	0.2
Accruals (excluding deferred income)	**0.5**	0.3
Other payables	**4.1**	2.8
Obligations under finance leases	**11.5**	12.9
Amounts owed to group undertakings	**8.5**	20.3
	39.6	99.6

Interest expense	**Group 2022 £m**	Group 2021 £m
Total interest expense for the financial liabilities at amortised cost	**1.2**	0.7

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Changes in liabilities arising from financing activities

	At 1 July 2020	Financing cash flows	Non-cash changes	At 30 June 2021
	£'m	£'m	£'m	£'m
Bank borrowings	173.5	(108.7)	(1.7)	63.1
Lease liabilities	15.0	(2.6)	0.5	12.9
Total liabilities from financing activities	**188.5**	**(111.3)**	**(1.2)**	**76.0**

	At 1 July 2021	Financing cash flows	Non-cash changes	At 30 June 2022
	£'m	£'m	£'m	£'m
Bank borrowings	63.1	(9.9)	(38.5)	14.7
Lease liabilities	12.9	(2.0)	0.6	11.5
Total liabilities from financing activities	**76.0**	**(11.9)**	**(37.9)**	**26.2**

The non-cash changes in respect of bank borrowings relate to the interest charges which have been capitalised into the borrowings, foreign exchange differences and the impact on loans from the sale of Primevere Equipment on 22 June 2022 (see note 12). The non-cash adjustment for the lease liabilities relates to the discounting interest on the liability.

18. Financial risk management and impairment of financial assets

Financial risk management objectives
The financial risks facing the group include currency risk, credit risk, liquidity risk and cash flow interest rate risk. The group monitors these risks but due to their overall risk and materiality, does not seek to minimise them by using derivative financial instruments to hedge these risk exposures. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The group's treasury policies and procedures are periodically reviewed and approved by the Board.

Credit risk and impairment
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the group. Investments of cash surpluses, borrowings and derivative financial instruments are made through banks which are approved by the Board.

Before accepting any new tenant, the group uses an external credit scoring system to assess the potential tenant's credit quality. Tenant debtor balances are monitored on an ongoing basis and provision is made for estimated irrecoverable amounts. The concentration of credit risk is limited due to the majority of the tenants being part of the wider group of companies, with set quarterly rental payments.

Liquidity risk
The group manages liquidity risk by maintaining adequate banking and borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 17 is a description of the facilities that the group has at its disposal and details of the group's remaining contractual maturity for its non-derivative financial liabilities.

Foreign currency risk management
The group undertakes certain transactions denominated in a foreign currency. Hence, exposures to exchange rate fluctuations arise. It is not the policy of the group to enter into forward foreign exchange contracts to cover the specific foreign currency payments nor the foreign currency loan exposure.

18. Financial risk management and impairment of financial assets (continued)

Interest rate risk management
The group is exposed to interest rate risk, as entities in the group borrow funds at floating interest rates. The group treasury team are responsible for monitoring exposure to this risk and securing liquidity to meet foreseeable needs. The variable portion of the interest rate, being mainly Libor, is a very small element of the interest rate, and there are two loans that are not material to the group, so a sensitivity analysis is not performed.

Capital risk management
The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

19. Leases

The first sets of accounts presented under IFRS 16 was for years ending 30 June 2021 and 2020.

Amounts recognised in the Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive Income includes the following amounts relating to leases:

	2022	2021
	£m	£m
Depreciation charge on right-of-use assets:		
Land and buildings	**0.1**	0.3
Interest income on leased assets	**(0.6)**	(0.4)
Interest expense on leased assets	**0.6**	0.7

Amounts recognised in the Consolidated Statement of Cash Flows

	2022	2021
	£m	£m
Total cash outflow for leases	**2.0**	2.6
Total cash inflow from lease income	**(1.7)**	(1.8)

Leasing Activities

The group enters into leases for properties. These property leases, which consist of office buildings and warehouses, have varying terms, renewal rights and escalation clauses, including periodic rent reviews.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Leases (continued)

Amounts recognised in the Consolidated Statement of Financial Position

Right of use assets	**2022**	2021
	£m	£m
Land and buildings	**1.8**	1.9

Sub-lease debtors	**2022**	2021
	£m	£m
Current	**0.9**	1.8
Non-current	**4.2**	4.6
	5.1	6.4

The sub-lease debtors are in relation to finance leases with termination dates between February 2022 and December 2040 and have been discounted at rates between 4.76% and 5.21%.

	2022	2021
	£m	£m
Not later than one year	**0.9**	1.8
Later than one year and not later than five years	**0.5**	2.0
Later than five years	**3.7**	2.6
	5.1	6.4

Lease liabilities

Comprised of:	**2022**	2021
	£m	£m
Current	**1.0**	1.5
Non-current	**10.5**	11.4
	11.5	12.9

The lease liabilities are in relation to finance leases with termination dates between February 2022 and December 2040 and have been discounted at a rate of 5.21%.

	2022	2021
	£m	£m
Not later than one year	**1.0**	1.5
Later than one year and not later than five years	**1.1**	1.8
Later than five years	**9.4**	9.6
	11.5	12.9

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Onerous property provisions

	2022	2021
	£m	£m
Balance at 1 July	**4.1**	5.2
Additions in the year	**0.1**	-
Utilised in the year	**(0.1)**	(1.1)
Change in discount rate	**(0.3)**	-
Balance at 30 June	**3.8**	4.1

The onerous lease provision is for surplus properties that are not fully sub-let and where a continuing liability arises in relation to rates, service charges and dilapidations. The amount recognised is the discounted figure for the anticipated net expenditure for these leases. The outgoings are anticipated to utilised over the period to June 2069. The primary uncertainty is the potential income streams from third party tenants, the directors review these provisions at year end to ensure they are valued appropriately.

Provisions are discounted at the 30-year gilt rate of 2.5776% (2021: 1.159%) where the impact of doing so is material. The impact on the profit is the total of the discounting and release within the year.

The company has no provisions.

21. Deferred taxation

The total asset/(liability) recognised and the total potential liability (2021: asset) for deferred taxation are as follows:

	Accelerated tax depreciation	**Revaluation of investment property**	**Other temporary differences**	**Tax losses**	**Total**
	£'m	**£'m**	**£'m**	**£'m**	**£'m**
At 1 July 2020	(0.1)	(7.1)	2.1	1.0	(4.1)
Credited/(charged) to profit or loss	0.9	4.1	(1.1)	0.3	4.2
At 30 June 2021	**0.8**	**(3.0)**	**1.0**	**1.3**	**0.1**
Charged to profit or loss	-	(0.2)	(0.1)	(0.1)	(0.4)
At 30 June 2022	**0.8**	**(3.2)**	**0.9**	**1.2**	**(0.3)**

Deferred tax asset recognition is based on entity only future taxable profits with deferred tax assets expected to reverse in future periods.

At the year-end date, the group had unrecognised deferred tax assets of £2.7m (2021: £3.3m) in respect of temporary differences.

The group has recognised deferred tax assets in respect of losses and other temporary differences to the extent that it is probable that there will be future taxable profits against which the losses and other temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Share capital and reserves

	2022 £m	2021 £m
Authorised, allotted, called-up and fully paid:		
124,857,001 (2021: 124,857,001) ordinary shares of £1 each	**124.9**	124.9

The holders of ordinary shares are entitled to all distributable income. On the return of capital in a winding up or otherwise the surplus assets shall firstly be used to repay the nominal value of ordinary shares and then the nominal value of the deferred shares. Any surplus shall then be payable to the holders of ordinary shares.

Called-up share capital represents the nominal value of shares that have been issued.

Reserves

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the re-measurement of investment properties and other adjustments.

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date. Revalued freehold land and buildings have been transferred to investment property, and as the revaluation of investment property is recognised in profit and loss through the Statement of comprehensive income, the revaluation reserve has been transferred to the profit and loss.

The merger reserve represents the difference between the cost of investment and the nominal value of the ordinary shares issued during the group re-organisation.

Other reserves relate to capital contributions in the form of a waiver of intercompany balances.

23. Lease commitments

Future income for properties that are sublet, where the sublease is considered to be a financing sublease, is included as a sublease debtor on the Statement of Financial Position under IFRS 16. Where the sublease is considered to be an operating sublease, and where the group is a lessor of its owned properties, the total of future minimum income receivable under the group's non-cancellable operating leases with tenants for each of the following periods is as follows:

Group	**2022 £m**	2021 £m
Land and buildings:		
Not later than one year	**2.4**	10.0
Later than one year and not later than five years	**8.3**	38.4
Later than five years	**7.4**	41.4
	18.1	89.8

No contingent rents have been recognised as income in the current or prior year.

The operating leases relate to the group's tangible assets (note 8) and land held for development and resale (note 13).

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Related party transactions

During the current and previous financial year, the group entered into the following transactions comprising fee income from property management and rental income from investments properties with related parties who are not members of the group:

	2022	2021
	£m	£m
Management fees		
Arrow XL Limited	**0.1**	0.1
Ellerman Investments Limited	**-**	0.3
The Very Group Limited	**0.3**	0.3
Yodel Delivery Network Limited	**0.3**	0.3
Rental income		
Arrow XL Limited	**-**	1.2
The Spectator 1828 Limited	**0.4**	0.3
The Very Group Limited	**6.8**	12.6
Yodel Delivery Network Limited	**2.3**	1.4
	10.2	16.5

As 30 June the following balances remain outstanding and are disclosed within the following balances:

	2022	2021
	£m	£m
Within trade and other receivables		
Bingham Road Management Limited	**0.1**	-
Medway Valley Services Limited	**-**	0.1
	0.1	0.1
Within trade and other payables		
Shop Direct Home Shopping Limited	**(8.3)**	(6.1)
The Very Group	**-**	(14.2)
Yodel Properties Limited	**(0.2)**	-
	(8.5)	(20.3)

The companies listed above are all ultimately controlled by the Sir David Barclay and Sir Fredrick Barclay Family Settlements.

As at 30 June 2022 the following balances are outstanding with non 100% owned entities within the group:
Debtor due from Trenport Property Holdings Limited to Pit Properties Limited of £0.8m (2021: £0.8m).
Creditor due from Pit Properties Limited to Margetts Pit Limited of £0.8m (2021: £0.8m).

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. Ultimate controlling party

The immediate holding company is Shop Direct Holdings Limited, a company registered and incorporated in England and Wales, regarded by the directors as being ultimately controlled by the Sir David Barclay and Sir Frederick Barclay Family Settlements. The smallest and largest publicly available group into which the results of the company are consolidated is Shop Direct Holdings Limited, a company registered in England and Wales, which the directors regard as being controlled by the Sir David Barclay and Sir Frederick Barclay Family Settlements. The financial statements of Shop Direct Holdings Limited can be obtained by writing to 2nd Floor, 14 St George Street, London W1S 1FE, its registered address.

26. Subsidiary and joint venture undertakings

Except where stated otherwise, subsidiary undertakings are registered in England and Wales, carry out their principal operations in the country of incorporation, and the company owns 100% of the ordinary share capital. The registered office for the subsidiaries is the same as Trenport Property Holdings Limited as set out in the accounting policies unless otherwise stated.

Undertakings	*Company registration number*	*Nature of business*
Arndale Industrial Properties Limited	11718052	Property management
Arndale Properties Limited	04768976	Property holding company **
Arndale Aintree Property Limited *	05059349	Property management **
Estuary Park Property Holdings Limited	05747737	Property management
Eurolink 5 Management Limited	10768592	Property management **
Eurolink Management Limited	09155467	Dormant
Europower Networks Limited	05438383	Electricity supply **
Littlewoods Property Holdings Limited	02765483	Dormant
LSD Developments Limited *	05750586	Property management **
Margetts Pit Limited *	02479226	Property management **
MP Holdings 2016 Limited *	13616271	Property management **
Old Hall Street Properties Limited	02765478	Property management
Pit Properties Limited	10050312	Property management **
Provenance Investments Limited	11807533	Property holding company **
Primevere Limited	11077376	Property management **
Rosechurch Homes Limited	11654418	Property development
Ryton Properties Limited	06189268	Dormant
Ryton Utilities Limited	06189253	Sewerage service **
Senate Park Developments Limited *	05750589	Property management **
Spectator Properties Limited (Jersey)	93345	Property management
St James's Street Property Management Limited *	04663252	Property management
St James's Street Properties Limited	03487648	Dormant
Temple Studios Limited *	07936198	Property management **
Trenport Limited	11654399	Property holding company **
Trenport Investments Limited	01265480	Property development
Trenport (East Hall Park) Limited *	04187663	Property development **
Trenport (Peters Village) Limited *	04187596	Property development
Trenport Teynham (General Partner) Limited	05320656	Dormant
White Arrow Logistics Limited *	00953622	Dormant
Worcester (Blackpole) Holdings Limited	11989104	Property holding company **
Worcester (Blackpole) Limited *	11983150	Property management **
SJS Development Management Limited	12644621	Property development management**

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Subsidiary and joint venture undertakings (continued)

* indicates the company was owned by an intermediary company

** The subsidiary company has taken advantage of the Companies Act s479A exemption from having an audit. The company is exempt from the requirements of this Act relating to the audit of individual accounts by virtue of this section.

MP Holdings 2016 Limited is a joint venture. 50% of the ordinary shares are owned by Pit Properties Limited. Margetts Pitt Limited is a company 100% owned by MP Holdings 2016 Limited.

The companies' registered office is 2nd floor, 14 St George Street, London W1S 1FE.

Spectator Properties Limited's registered office is Gaspé House, 66-72 Esplanade, St Helier, Jersey JE2 3QT.

On 22 June 2022, Primevere Equipment Limited was sold to The Very Group Limited, a fellow subsidiary of the company's holding company for £0.3m, resulting in a consolidated profit on disposal of £0.3m. The results of Primevere Equipment Limited for the current year to the date of disposal are disclosed under results of discontinued operations in the Consolidated Statement of Comprehensive Income.