

Pit Properties Limited
(registered number: 10050312)

Annual report and financial statements
For the year ended 30 June 2022

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Pit Properties Limited

Report of the directors for the year ended 30 June 2022

The directors present their Annual report and audited financial statements of the company for the year ended 30 June 2022.

This set of financial statements for the year ended 30 June 2022 has been prepared in accordance with The Reduced Disclosure Framework (FRS 101). This Report of the directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under section 414B of the Companies Act 2006. The company is classified as small, and accordingly, a strategic report has not been prepared.

Principal activities and business review

The principal activity of the company is a holding company limited by shares.

Results and dividend

As the company is an intermediate holding company, there are no key performance indicators.

The directors do not recommend the payment of a dividend (2021: £nil).

Principal risks and financial risk management

The management of the business and execution of the company's strategy is subject to a number of risks, namely:

- The ongoing macro-economic impact of transitional Brexit arrangements, and in particular the effect that this has on the ability of the company to continue its activities;
- 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 combined with the potential risk of recession and increases in the Bank of England base rate, has caused nervousness across the property sector.
- 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.

Although these risks are ongoing, management believe that the risks and uncertainties associated with them will not have a material impact on the company.

Sustainability

The directors are mindful of the need and impact of sustainability on the environment and the company's assets. Environmental regulation are considerations for the company.

Going concern

As referred to in the accounting policies, the directors have concluded that the company has 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 company'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.

Pit Properties Limited

Report of the directors for the year ended 30 June 2022 (continued)

Going concern (continued)

The company's holding company, Trenport Property Holdings Limited has provided a letter of support and the directors have a reasonable expectation that the company has 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.

Directors

The directors of the company during the year ended 30 June 2022 and up to the date of signing the financial statements were:

R J Hall
D J Farrant appointed 1 July 2021

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.

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 were appointed as the Company's external auditor for the financial period commencing 1 July 2021. Deloitte LLP have indicated their willingness to continue in office pursuant to section 487(2) of the Companies Act 2006.

Approved by the board and signed on its behalf by:



D J Farrant
Director
24 March 2023

Pit Properties Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

Pit Properties Limited

Independent auditors' report to the members of Pit Properties Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Pit Properties Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 - 9

The financial reporting framework that has been applied in their preparation 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 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Pit Properties Limited

Independent auditors' report to the members of Pit Properties Limited (continued)

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the 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 company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and directors about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company 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, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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.

Pit Properties Limited

Independent auditors' report to the members of Pit Properties Limited (continued)

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

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.



Rachel Argyle (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

24 March 2023

Pit Properties Limited

Statement of comprehensive income for the year ended 30 June 2022

	<i>Notes</i>	2022 £'000	2021 £'000
Administrative expenses		-	-
Result before taxation	3	-	-
Tax on result		-	-
Result and total comprehensive income for the financial year		-	-

The result for the financial year arises from the company's continuing operations.

The accounting policies and notes on pages 10 to 14 form an integral part of these financial statements.


Pit Properties Limited

Statement of financial position as at 30 June 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	4	-	-
Current assets			
Debtors	5	779	819
Total assets		779	819
Current liabilities: amounts falling due within one year	6	(780)	(820)
Net current liabilities		(1)	(1)
Net liabilities		(1)	(1)
Capital and reserves			
Called up share capital	7	-	-
Retained earnings		(1)	(1)
Total shareholders' deficit		(1)	(1)

The accounting policies and notes on pages 10 to 14 are an integral part of these financial statements.

The financial statements for Pit Properties Limited, company number 10050312, are presented on pages 7 to 14 and were approved by the board of directors on 24 March 2023 and signed on its behalf by:



D J Farrant
Director

Pit Properties Limited

Statement of changes in equity for the year ended 30 June 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 July 2020	-	(1)	(1)
Result for the financial period and total comprehensive result	-	-	-
At 30 June 2021	-	(1)	(1)
Result for the financial period and total comprehensive result	-	-	-
At 30 June 2022	-	(1)	(1)

Pit Properties Limited

Notes to the financial statements for the year ended 30 June 2022

1. Statement of accounting policies

General information

Pit Properties Limited is an intermediate holding company. The company is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales, United Kingdom. The company's registered office is 2nd Floor, 14 St George Street, London, United Kingdom, W1S 1FE.

Basis of accounting

The individual financial statements of Pit Properties Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"), as issued by the Financial Reporting Council and the Companies Act 2006.

The functional and presentational currency of the company is pound sterling because that is the currency of the primary economic environment in which the company operates.

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and United Kingdom Applicable Accounting Standards, which have been applied on a consistent basis with the previous period. The principal accounting policies are set out below.

Adoption of new and revised standards

The company adopted all the new and revised IFRS standards and Interpretations that are effective during the year and are relevant to its operations. The adoption of these new/revised standards has no material effect on the amounts reported for the current or prior years.

Going concern

In determining whether the company'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 the principal risks and uncertainties relating to its business activities. These are set out within the Report of the directors', on page 1.

The company's holding company, Trenport Property Holdings Limited has provided a letter of support and the directors have a reasonable expectation that the company has 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.

Consolidated financial statements

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. The accounts of the company and its subsidiaries are consolidated into its holding company, Trenport Property Holdings Limited.

Pit Properties Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

1. Statement of accounting policies (continued)

Exemptions for qualifying entities under FRS 101

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets, certain related party transactions, and certain disclosure requirements in respect of leases, on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated, being Trenport Property Holdings Limited.

Investments

Investments in joint ventures and subsidiaries are included in the balance sheet at their cost on acquisition. Where appropriate, provision is made for any impairment in their value.

Financial instruments

The company has adopted IFRS 9 under FRS 101 in respect of financial instruments.

a) 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 profit or loss.

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

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.

b) 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.

Pit Properties Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

1. Statement of accounting policies (continued)

Critical accounting judgements and estimation uncertainty

In the application of the company'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.

Critical judgements in applying the company's accounting policies

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

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Pit Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

2. Employees and directors

The company has no employees other than the directors. None of directors received any emoluments during the year for their services to the company (2021: £Nil).

3. Result before taxation

The company accounts are audited in the current year but no provision has been made for audit fee of £8,000, as the audit fee will be borne by the parent company, Trenport Property Holdings Limited. In 2021, there were no audit fees as the company was not audited.

4. Fixed asset investments

	£
Investments in joint ventures	
At 1 July 2021 and 30 June 2022	<u>1</u>

At 30 June 2022 the company had the following investments:

Company Name	Country of Incorporation	Class of shares held	Nature of business
MP Holdings 2016 Limited	England and Wales	Ordinary	Property management
Margetts Pit Limited	England and Wales	Ordinary	Property management

MP Holdings 2016 Limited is a joint venture which is 50% owned by Pit Properties Limited. Margetts Pit Limited is a company 100% owned by MP Holdings 2016 Limited. The registered office of the above companies is 2nd Floor, 14 St George Street, London W1S 1FE.

5. Debtors

	2022 £'000	2021 £'000
Amount owed by parent	734	774
Amounts owed by joint venture undertaking (note 9)	<u>45</u>	<u>45</u>
	<u>779</u>	<u>819</u>

The amounts owed by the parent and by joint venture undertaking are unsecured, interest free, have no fixed terms for repayment and are repayable on demand. See note 9.

6. Current liabilities: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed to joint venture undertaking (note 9)	<u>780</u>	<u>820</u>

The amounts owed to associated group undertakings and to joint venture undertaking are unsecured, interest free, have no fixed terms for repayment and are repayable on demand.

Pit Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

7. Called up share capital

	2022 £	2021 £
Authorised:		
1 ordinary share of £1 each	1	1
Allotted, issued and fully paid:		
1 (2021: 1) ordinary shares of £1 each	<u>1</u>	<u>1</u>

The company has one class of share which bear no right to fixed income. See note 9.

8. Related party transactions

	2022 £'000	2021 £'000
Related party creditor: owing to Margetts Pit Limited		
Opening creditor	820	860
Movement during year	<u>(40)</u>	<u>(40)</u>
Closing creditor	<u>780</u>	<u>820</u>

The movement during the year relates additional funds required as working capital by Margetts Pit Limited, a wholly owned subsidiary of MP Holdings 2016 Limited, in which the company has a 50% shareholding.

	2022 £'000	2021 £'000
Related party debtor: owing by MP Holdings (2016) Limited		
Opening debtor	<u>45</u>	<u>45</u>
Closing debtor	<u>45</u>	<u>45</u>

At 30 June 2022 the company's voting rights were controlled by its immediate holding company Trenport Property Holdings Limited, and the company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the group or are disclosed in the Shop Direct Holdings Limited group financial statements.

9. Ultimate controlling party

The immediate holding company and smallest group into which the results of the company are consolidated is Trenport Property Holdings Limited, a company registered in England and Wales. On 29 June 2022, the shares of the company were transferred from Trenport Investments Limited to Trenport Property Holdings Limited. Trenport Property Holdings Limited is the holding company of Trenport Investments Limited.

The largest publicly available group into which the results of the company are consolidated is the financial statements of Shop Direct Holdings Limited, a company registered in England and Wales, which the directors regard as being ultimately controlled by the Sir David Barclay and Sir Fredrick Barclay Family Settlements. Copies of the financial statements of Shop Direct Holdings Limited and Trenport Property Holdings Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ. The registered address of Shop Direct Holdings Limited and Trenport Property Holdings Limited is 2nd Floor, 14 St George Street, London W1S 1FE.