

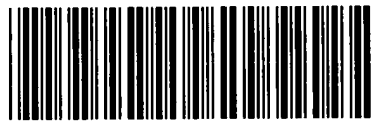
7 Woodborough Road Limited

Annual Report and Financial Statements

Year ended 31 August 2021

Company Registration No. 10966074

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Annual Report and Financial Statements

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7 Woodborough Road Limited

Company No. 10966074

Annual Report and Financial Statements

Officers and professional advisors

Directors

M D Hanley-Browne

J E B Bowden

R D Jones

Secretary

J C Norton

Registered Office

50 Queen Anne Street, London, W1G 8HJ

Auditors

BDO LLP

31 Chertsey Street, Guildford, Surrey, GU1 4HD

Annual Report and Financial Statements

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 August 2021.

Directors

The Directors who served during the year were:

M D Hanley-Browne

J E B Bowden (appointed 4 January 2021)

M J Sample (resigned 31 May 2021)

R D Jones

Principal activities

The principal activity of the Company is property investment in the United Kingdom.

Review of business and future developments

The Company was incorporated to acquire and manage the freehold property located at 7 Woodborough Road, London SW15. The acquisition of this property was completed in the year ended 31 August 2018 and was financed by a loan from the Company's immediate parent company. A 30-year lease was granted in that year to fellow Group company, Alpha Plus Group Limited, to operate a school on the premises. Rental income in the current year of £0.1m slightly exceeded net interest costs (2020: £0.1m rental income).

The Company's investment property was valued by an external professional valuer as at 31 August 2021 at £1.76m (2020: £1.71m) resulting in a £0.05m surplus. The Company has consequently reported a £0.1m profit before tax for the year to 31 August 2021 (2020: loss of £0.1m).

The activities of the Company are not expected to change in the foreseeable future.

Since the Company does not have any distributable reserves, the Directors are unable to recommend the payment of a dividend.

Financial risk management objectives and policies

The Company's activities expose it to a number of business and financial risks including credit risk, interest rate risk and liquidity risk. These risks are described further in note 14 to the financial statements.

Preparation of financial information

The Company operates a centralised accounting function. Annual budgets and monthly internal management accounts are prepared by the finance function and are reviewed by the Chief Financial Officer prior to submission to the Board. Any significant variances between actual and budget performance are investigated and explained as part of this process.

Annual Report and Financial Statements

Directors' Report *continued*

Going concern

Given the ongoing impact of Covid-19 on the macro-economic conditions in which the Company is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 August 2021.

The financial statements have been prepared on a going concern basis. In considering whether this is appropriate, the Directors have taken into account the following:

- As at 31 August 2021, the Company had drawn a loan totalling £1.6m from its immediate parent company which is not repayable until 30 January 2048 unless the Company agrees to an earlier repayment date.
- The Company's only anticipated payments in the foreseeable future relate to fixed interest on the parent company loan. These will be more than covered by expected rental income receivable from fellow Group company, Alpha Plus Group Limited. The Directors have reviewed the liquidity and financial position of Alpha Plus Group Limited and have no concerns regarding the ability of that company to pay the rent as it falls due.

On this basis, the Directors have continued to adopt the going concern basis in preparing the financial statements.

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are shown above. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Exemption from preparation of separate strategic report

The Company has taken advantage of the exemption contained in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from the requirement to prepare a separate strategic report.

Approved by the Board of Directors and signed on behalf of the Board.



J C Norton

Secretary

24 February 2022

Annual Report and Financial Statements

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

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Independent Auditor's Report to the Members of 7 Woodborough Road Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 7 Woodborough Road Limited ("the Company") for the year ended 31 August 2021 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Annual Report and Financial Statements

Independent Auditor's Report to the Members of 7 Woodborough Road Limited
continued

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.

Other Companies Act 2006 reporting

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 material misstatements in the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Annual Report and Financial Statements

**Independent Auditor's Report to the Members of 7 Woodborough Road Limited
*continued***

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.

Extent to which the audit was 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 assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risks to be management override of controls and revenue recognition.
- Our tests included, but were not limited to, agreement of the financial statement disclosures to underlying supporting documentation, review of correspondence with regulators and legal advisors, enquiries of management and those charged with governance, review of board minutes and review of internal audit reports.
- We also addressed the risk of management override of internal controls, including testing of journals exhibiting unusual pairings, value or descriptions and evaluating whether there was evidence of bias in estimates (primarily with regard to investment property valuation) or judgements by the Directors that represented a risk of material misstatement due to fraud. To address the risk of fraud due to revenue recognition through our journals testing we agreed material manual journal entries to revenue to supporting documentation. Other testing of fraud due to revenue recognition included the testing of cut-off.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

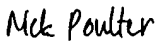
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Annual Report and Financial Statements

**Independent Auditor's Report to the Members of 7 Woodborough Road 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:

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24 February 2022

Nick Poulter (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Guildford, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Annual Report and Financial Statements

Statement of comprehensive income for the year ended 31 August 2021

		2021	2020
	Notes	£000	£000
Revenue	5	89	89
Surplus / (deficit) on revaluation of investment property	9	51	(127)
Interest receivable and similar income	6	10	6
Interest payable and similar charges	7	(78)	(79)
Profit / (loss) before tax		72	(111)
Tax charge on profit / (loss) for the year	8	(4)	(3)
Profit / (loss) and total comprehensive income / (deficit) for the year		68	(114)

All amounts arise from continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

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Balance sheet as at 31 August 2021

		2021	2020
	Notes	£000	£000
Non-current assets			
Investment property	9	1,713	1,662
Current assets			
Debtors	10	347	247
Total assets		2,060	1,909
Current liabilities			
Creditors: amounts falling due within one year	11	(313)	(230)
Non-current liabilities			
Creditors: amounts falling due after one year	12	(1,564)	(1,564)
Net assets		183	115
Equity attributable to equity shareholders			
Share capital	13	522	522
Retained earnings		(339)	(407)
Total equity		183	115

The notes on pages 12 to 19 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 24 February 2022.



J E B Bowden

Chief Financial Officer

Annual Report and Financial Statements

Statement of changes in equity for the year ended 31 August 2021

	Issued share capital	Retained losses	Total equity
	£000	£000	£000
As at 1 September 2019	522	(293)	229
Loss and total comprehensive deficit for the year	-	(114)	(114)
At 31 August 2020	522	(407)	115
Profit and total comprehensive income for the year	-	68	68
At 31 August 2021	522	(339)	183

The notes on pages 12 to 19 form part of these financial statements.

Annual Report and Financial Statements**Notes to the financial statements for the year ended 31 August 2021****1. Corporate information**

7 Woodborough Road Limited ("the Company") was incorporated on 15 September 2017. The financial statements of the Company for the year to 31 August 2021 were authorised for issue in accordance with a resolution of the Directors on 24 February 2022. The Company is a private company limited by shares and is incorporated and domiciled in England and Wales.

2. Basis of preparation

These financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable Accounting Standards.

The financial statements are prepared in accordance with applicable United Kingdom law and Accounting Standards which have been consistently applied throughout the current and previous years. The particular accounting policies adopted are described below.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13: Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 16 and 134-136 of IAS 1: Presentation of Financial Statements;
- the requirements of IAS 7: Statement of Cash Flows;
- the requirements of paragraphs 30-31 of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements in IAS 24: Related Party Disclosures to disclose related party transactions entered into between members of a group provided that any subsidiary which is party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36: Impairment of Assets.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

3. Going concern

Given the ongoing impact of Covid-19 on the macro-economic conditions in which the Company is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 August 2021.

The financial statements have been prepared on a going concern basis. In considering whether this is appropriate, the Directors have taken into account the following:

- As at 31 August 2021, the Company had drawn a loan totalling £1.6m from its immediate parent company which is not repayable until 30 January 2048 unless the Company agrees to an earlier repayment date.
- The Company's only anticipated payments in the foreseeable future relate to fixed interest on the parent company loan. These will be more than covered by expected rental income receivable from fellow Group company, Alpha Plus Group Limited. The Directors have reviewed the liquidity and financial position of Alpha Plus Group Limited and have no concerns regarding the ability of that company to pay the rent as it falls due.

Annual Report and Financial Statements**Notes to the financial statements for the year ended 31 August 2021 *continued*****3. Going concern *continued***

On this basis, the Directors have continued to adopt the going concern basis in preparing the financial statements.

4.1 Accounting policies**Revenue**

Revenue comprises rental income net of VAT. Rental income is recognised in the income statement on an accruals basis. Contingent rental income, such as that arising from an index-linked rent review, is recognised in the income statement in the periods in which it is earned. Rent free periods and other lease incentives are allocated evenly over the term of the lease.

Interest payable

Obligations for loans and borrowings, including loans to and from subsidiary companies, are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Taxes***Current tax***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Annual Report and Financial Statements**Notes to the financial statements for the year ended 31 August 2021 *continued*****4.1 Accounting policies *continued*****Investment property**

Investment properties are initially recognised at cost including transaction costs.

Investment properties are subsequently valued annually by suitably qualified individuals and approved by the Directors. The property valuation is derived from current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Where rental income is recognised in advance of the respective cash flows, an adjustment is made to ensure that the carrying value of the respective investment property together with any related accrued rental income does not exceed the external valuation of the property. Changes in carrying value are recognised in profit or loss.

4.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Key estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the Company's control. Such changes are reflected in the assumptions when they occur.

Valuation of investment property – the Company has an investment property with a valuation of £1.76m (2020: £1.71m) at the balance sheet date. Further information regarding the valuation assessment is provided in note 9. The valuation reflects a capital value of £528 per square foot (2020: £513). A 3% increase or decrease would result in a £53,000 increase or decrease in the value of this property (2020: £51,000).

Recoverability of debts due from other Group companies - debts from other Group companies have been reviewed by reference to the liquidity and financial position of the respective Group companies (see note 10).

Annual Report and Financial Statements**Notes to the financial statements for the year ended 31 August 2021 *continued*****4.3 New standards and interpretations**

There were no new standards adopted in the year to 31 August 2021.

4.4 Standards issued but not yet effective

The IASB has not issued any new standards or amendments that are not yet effective and that are expected to have a material effect on the Company.

5. Revenue and operating expenses

Revenue, all of which derives from continuing operations, is analysed below:

	2021	2020
	£000	£000
Rental income	91	91
Adjustment for lease incentives	(2)	(2)
	89	89

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period amounted to £nil (2020: £nil).

There were no employees employed by the Company in the year ended 31 August 2021 (2020: nil).

None of the Directors received any remuneration from the Company. The Directors of the Company are remunerated by fellow Group company, Alpha Plus Group Limited. Auditor's remuneration of £3,000 (2020: £1,000) was paid by Alpha Plus Group Limited.

6. Interest receivable and similar income

	2021	2020
	£000	£000
Interest from Group companies	10	6

7. Interest payable and similar charges

	2021	2020
	£000	£000
Interest on parent company loan	78	79

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Notes to the financial statements for the year ended 31 August 2021 *continued*

8. Taxation

Income statement	2021 £000	2020 £000
Current tax:		
Payable in respect of group relief claimed	(4)	(3)
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Tax charge reported in the statement of comprehensive income	(4)	(3)

A reconciliation between tax charge and the product of accounting profit multiplied by the UK corporation tax rate for the year ended 31 August 2021 and 2020 is as follows:

	2021 £000	2020 £000
Profit / (loss) before tax	72	(111)
At UK corporation tax rate of 19%	(14)	21
Deficit on property revaluation not taxable	10	(24)
Tax charge	(4)	(3)

Change in Corporation Tax rate

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The Finance Bill 2021 was substantively enacted on 24 May 2021.

9. Investment property

	2021 £000	2020 £000
Book value brought forward	1,662	1,789
Surplus / (deficit) on revaluation	51	(127)
Carrying value carried forward	1,713	1,662
Plus: lease incentive balance included in prepayments	47	48
Property valuation as at 31 August	1,760	1,710

Investment property represents the freehold interest in the property situated at 7 Woodborough Road, London SW15 which the Company acquired on 31 January 2018. The property was valued at £1.76m as at 31 August 2021 (2020: £1.71m) by an external professional valuer.

Annual Report and Financial Statements

Notes to the financial statements for the year ended 31 August 2021 *continued***9. Investment property *continued***

The investment property is valued using a comparative market methodology with certain unobservable inputs. The significant unobservable input used is an all risks yield of 4.86% (2020: 4.98%) which was determined by reference to comparative market transactions of a similar specification. A 0.25% increase or decrease would result in a £86,000 decrease or a £95,000 increase in the value of this property (2020: £82,000 decrease or £90,000 increase).

The property valuation at 31 August 2021 includes £47,000 (2020: £48,000) in respect of an adjustment for lease incentives. The Company granted a new 30-year lease to fellow Group undertaking, Alpha Plus Group Limited, on 31 January 2018. The lease provided for an initial rent-free period of 7 months with rent payments subsequently commencing on 1 September 2018.

The investment property is charged as security against secured sterling bonds issued by the Company's intermediate holding company, Alpha Plus Holdings Plc. Apart from this, there are no restrictions in respect of the Company's ability to sell its investment property and the Company has no contractual obligations to develop or maintain its investment property.

10. Debtors

	2021	2020
	£000	£000
Amounts owed by Group companies	300	199
Prepayments	47	48
	347	247

Amounts owed by Group companies carry interest at bank base rate plus 4% and are repayable on demand. The Directors have reviewed the amounts due from Group companies by reference to the liquidity and financial position of those companies. Based on this review, no impairment has been recognised.

11. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to Group companies (note 12)	306	223
Accruals and deferred income	7	7
	313	230

Annual Report and Financial Statements**Notes to the financial statements for the year ended 31 August 2021 *continued*****12. Creditors: amounts falling due after one year**

	2021	2020
	£000	£000
Amounts owed to Group companies	1,870	1,787
Amounts owed to Group companies comprise:		
Loan principal	1,564	1,564
Accrued loan interest	297	218
Payment for group relief claimed	9	5
	1,870	1,787
Disclosed as amounts falling due within one year	306	223
Disclosed as amounts falling due after one year	1,564	1,564
	1,870	1,787

The loan principal owed to Group companies is repayable on the earlier of 30 January 2048 or the date of any refinancing of the Company or any other date mutually agreed with the lender. The Directors consider carrying amount to be an approximation of fair value. Interest is charged quarterly on the loan principal amount only at the rate of 5% per annum.

13. Issued share capital

	2021	2020
	£000	£000
521,573 Ordinary Shares of £1 each - issued and fully paid	522	522

14. Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks as follows:

Investment property valuation

The fair value of the Company's investment property is dependent upon several factors including property investor demand, which can impact property yields, and rental values. Movements in market yields for educational investment properties can vary over time and an increase in yield can result in a decrease in the value of the investment property.

The Company's investment property is let for a thirty year term expiring in January 2048. Rents receivable are subject to index-linked five-yearly rent reviews. Rental income is not consequently exposed to fluctuations in market rents.

Annual Report and Financial Statements

Notes to the financial statements for the year ended 31 August 2021 *continued***14. Financial risk management objectives and policies *continued*****Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's property is let to a fellow Group company, Alpha Plus Group Limited. The Directors are satisfied that the tenant has sufficient liquidity to meet its obligations under the terms of the lease for the foreseeable future.

Liquidity and interest risk

The Company's principal financial liability is a loan from the immediate parent company which stood at £1.9m on 31 August 2021 (2020: £1.8m). This loan is repayable on 30 January 2048 or such earlier date as the Company and the parent company agree. Interest on the parent company loan is fixed at 5% per annum and is not compounded. Consequently, the Company is not exposed to any significant interest rate risk.

15. Operating lease arrangements

The Company earns rental income by leasing its investment property under a non-cancellable operating lease. At 31 August 2021, the Company had contracted to receive the following amounts under non-cancellable operating leases:

	2021	2020
	£000	£000
Less than one year	91	91
Between 1-2 years	91	91
between 2-5 years	272	272
After five years	1,935	2,026
	2,389	2,480

16. Related party transactions

In accordance with the exemption under paragraph 8(k) of FRS 101, the Company does not disclose transactions with other companies which are also wholly-owned by the intermediate parent company, Alpha Plus Holdings Plc.

17. Ultimate parent company

The immediate parent company is Alpha Plus Properties Limited. The intermediate holding company is Alpha Plus Holdings Plc. The consolidated financial statements of Alpha Plus Holdings Plc, which is the smallest group in which the Company is consolidated, are publicly available.

The Directors consider DV4 Limited, a company registered in the British Virgin Islands, to be the ultimate parent company and controlling party and is the largest group into which the Company is consolidated.