

Company registration number 11872318 (England and Wales)

PHHD PROPERTY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
PAGES FOR FILING WITH REGISTRAR

PHHD PROPERTY LIMITED

CONTENTS

	Page
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 7

PHHD PROPERTY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
Fixed assets			
Investment property	4	11,300,000	11,300,000
Current assets			
Debtors	5	52,069	7,776
Cash at bank and in hand		102,592	304,561
		154,661	312,337
Creditors: amounts falling due within one year	6	(466,664)	(549,528)
Net current liabilities		(312,003)	(237,191)
Total assets less current liabilities		10,987,997	11,062,809
Creditors: amounts falling due after more than one year	7	(7,147,250)	(7,183,033)
Net assets		3,840,747	3,879,776
Capital and reserves			
Called up share capital	8	4,400,000	4,400,000
Profit and loss reserves		(559,253)	(520,224)
Total equity		3,840,747	3,879,776

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 19 December 2023 and are signed on its behalf by:

Consortium Directors Limited
Director

Company Registration No. 11872318

PHHD PROPERTY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2021	4,400,000	(977,677)	3,422,323
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	457,453	457,453
Balance at 31 March 2022	4,400,000	(520,224)	3,879,776
Year ended 31 March 2023:			
Loss and total comprehensive income for the year	-	(39,029)	(39,029)
Balance at 31 March 2023	4,400,000	(559,253)	3,840,747

PHHD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

PHHD Property Limited is a private company limited by shares incorporated in England and Wales. The registered office is 11 Argyll Street, London, United Kingdom, W1F 7TH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis.

The company developed a hotel building in 2020 and 2021 which achieved practical completion in February 2021. Post completion the company entered into a 25 year lease with a hotel operator at a market rental income which commenced in April 2021. In March 2022 the development loan was refinanced into a 3 year commercial loan on a variable interest rate basis.

Due to the economic climate since the previous Balance Sheet date and the movement in interest base rates it became apparent that the cash inflows from rental income could not, in the short term, support the company's current debt financing arrangements. The directors successfully negotiated a capital repayment holiday with the lending bank, which has been supportive of the company's position, to ensure it remained operational while financial markets fluctuated. This, together with various stakeholders continuing to agree not to draw fees, has meant the Company has been able to meet its liabilities as they fall during the financial year in question and the current financial year.

The directors consider that with the continued support from the lending bank, and other stakeholders, there is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future and at least the next 12 months.

1.3 Turnover

Turnover is recognised at the fair value of the rent received in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.5 Borrowing costs related to fixed assets

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.

The full amount of interest costs incurred in financial years 2020 and 2021 until practical completion as part of the development loan have been capitalised to investment property.

PHHD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

PHHD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is not recognised in respect of the company's corporation tax losses of approximately £3.0m and revaluation gains of £0.9m at 31 March 2023. Due to the uncertainty over the timing of profitability, the directors do not consider it appropriate to recognise a deferred tax asset as at 31 March 2023.

1.10 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Investment property

Investment property comprises freehold land and buildings, recognised initially in these accounts at the cost on acquisition, including borrowing costs related to the investment property. The investment property is included in these accounts on the basis of open market value. The valuation conforms to International Valuation Standards and was based on recent market evidence of transactions on arms length terms for similar properties.

3 Employees

During the year there were no employees of the company other than the directors.

PHHD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Investment property

2023
£

Fair value

At 1 April 2022 and 31 March 2023

11,300,000

Investment property comprises freehold land and buildings, recognised initially in these accounts at the cost on acquisition, including borrowing costs related to the investment property, of £10,434,895.

The investment property was revalued on 16 December 2021 at £11,300,000 by Allsop LLP, independent valuers not connected with the company, on the basis of open market value. The valuation conforms to International Valuation Standards and was based on recent market evidence of transactions on arms length terms for similar properties.

Revaluation gains are recorded in the profit and loss account.

5 Debtors

Amounts falling due within one year:

	2023 £	2022 £
Trade debtors	1,944	7,243
Other debtors	50,125	533
	<u>52,069</u>	<u>7,776</u>

6 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	141,250	113,000
Trade creditors	126,246	146,321
Amounts owed to group undertakings	90,000	90,000
Taxation and social security	24,199	-
Other creditors	84,969	200,207
	<u>466,664</u>	<u>549,528</u>

Included in other creditors is an amount of £90,000 (2022: £90,000) owing to PHHD Limited Partnership, the parent of PHHD Property Limited.

7 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans and overdrafts	<u>7,147,250</u>	<u>7,183,033</u>

Long term bank loans of £7,288,500 (2022: £7,296,033) have been secured against the investment property and all other assets held by the company.

PHHD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Called up share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	4,400,000	4,400,000	4,400,000	4,400,000

9 Non distributable reserves

At the year end the company has non distributable reserves amounting to £865,105 (2022: £865,105) included within profit and loss reserves. This is due to the revaluation of investment property in the prior year, as described in note 4. This revaluation was an unrecognised gain, not taxable in the prior period.

10 Related party transactions

The directors of Consortium Directors Ltd are all members of Consortium Investment Management LLP. During the year the company paid Consortium Investment Management LLP operator fees of £10,961 (2022: £41,115). No amounts were outstanding at the year end (2022: £nil).

NP Investment Management Ltd is a director of the company. During the year the Company paid NP Investment Management management fees of £10,412 (2022: £115,150).

The company remains to have a loan of £90,000 (2022: £90,000) from PHHD Limited Partnership, the Company's sole shareholder. This was received in 2022 and PHHD Property Limited has not made any repayments as at the year end.

11 Controlling party

The company is wholly owned by the PHHD Limited Partnership. Control of PHHD LP rests with the General Partner of the LP, PHHD General Partner Ltd, which is owned by Consortium Corporate Holdings Ltd. The ultimate controlling party is B D Hobbs who owns Consortium Corporate Holdings Ltd.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.