

Company registration number 09298586 (England and Wales)

SANTON INDUSTRIAL PROPERTIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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SANTON INDUSTRIAL PROPERTIES LIMITED

COMPANY INFORMATION

Directors R. Patel
Santon Close Nominees Limited
Santon Management Limited

Secretary R. Patel

Company number 09298586

Registered office Santon House
53-55 Uxbridge Road
Ealing
London
W5 5SA

Auditors Gerald Edelman LLP
73 Cornhill
London
EC3V 3QQ

SANTON INDUSTRIAL PROPERTIES LIMITED

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SANTON INDUSTRIAL PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of property management and investment.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R. Patel
Santon Close Nominees Limited
Santon Management Limited

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditors

Gerald Edelman LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

SANTON INDUSTRIAL PROPERTIES LIMITED

DIRECTORS' REPORT (CONTINUED)

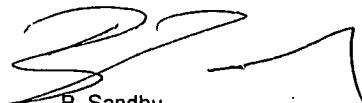
FOR THE YEAR ENDED 31 MARCH 2022

Going concern

The financial statements have been prepared on the assumption that the company is a going concern.

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2022.

On behalf of the board



B. Sandhu

Director of Santon Management Limited

16 December 2022

SANTON INDUSTRIAL PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANTON INDUSTRIAL PROPERTIES LIMITED

Opinion

We have audited the financial statements of Santon Industrial Properties Limited (the 'company') for the year ended 31 March 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

SANTON INDUSTRIAL PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SANTON INDUSTRIAL PROPERTIES LIMITED

Matters on which we are required to report by exception

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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the 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.

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.

Our audit procedures were primarily directed towards testing the accounting systems in operation which we have based our assessment of the financial statements for the year ended 31 March 2022.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

SANTON INDUSTRIAL PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SANTON INDUSTRIAL PROPERTIES LIMITED

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with HMRC.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

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.

SANTON INDUSTRIAL PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SANTON INDUSTRIAL PROPERTIES LIMITED

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.

Hiten Patel

Hiten Patel FCCA (Senior Statutory Auditor)
For and on behalf of Gerald Edelman LLP

16 December 2022

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

SANTON INDUSTRIAL PROPERTIES LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 £ | 2021 £ |
|---------------------------------------|----------|----------------|----------------|
| Turnover | 3 | 318,784 | 293,447 |
| Administrative expenses | | (59,499) | (108,396) |
| Other operating income | | 1,123 | 743 |
| Operating profit | 6 | 260,408 | 185,794 |
| Interest payable and similar expenses | 5 | (82,044) | (69,866) |
| Profit before taxation | | 178,364 | 115,928 |
| Tax on profit | 7 | (68,589) | - |
| Profit for the financial year | | 109,775 | 115,928 |

The income statement has been prepared on the basis that all operations are continuing operations.

SANTON INDUSTRIAL PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Profit for the year | 109,775 | 115,928 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 109,775 | 115,928 |

SANTON INDUSTRIAL PROPERTIES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|--------------------|--------------------|------------------|------------------|
| Fixed assets | | | | | |
| Investment properties | 8 | | 3,250,000 | | 3,250,000 |
| Current assets | | | | | |
| Debtors | 9 | 1,013,183 | | 1,019,801 | |
| Cash at bank and in hand | | 120,175 | | 101,781 | |
| | | <u>1,133,358</u> | | <u>1,121,582</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(2,767,704)</u> | | <u>(434,292)</u> | |
| Net current (liabilities)/assets | | | <u>(1,634,346)</u> | | <u>687,290</u> |
| Total assets less current liabilities | | | 1,615,654 | | 3,937,290 |
| Creditors: amounts falling due after more than one year | 11 | | - | | (2,500,000) |
| Provisions for liabilities | 14 | | <u>(285,787)</u> | | <u>(217,198)</u> |
| Net assets | | | <u>1,329,867</u> | | <u>1,220,092</u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 1 | | 1 |
| Profit and loss reserves | | | <u>1,329,866</u> | | <u>1,220,091</u> |
| Total equity | | | <u>1,329,867</u> | | <u>1,220,092</u> |

The financial statements were approved by the board of directors and authorised for issue on 16 December 2022 and are signed on its behalf by:


 B. Sandhu
 Director of Santon Management Limited

Company Registration No. 09298586

SANTON INDUSTRIAL PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

| | Share capital | Profit and loss reserves | Total |
|--|------------------|--------------------------------|-----------|
| | £ | £ | £ |
| Balance at 1 April 2020 | 1 | 1,104,163 | 1,104,164 |
| Year ended 31 March 2021: | | | |
| Profit and total comprehensive income for the year | - | 115,928 | 115,928 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2021 | 1 | 1,220,091 | 1,220,092 |
| Year ended 31 March 2022: | | | |
| Profit and total comprehensive income for the year | - | 109,775 | 109,775 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2022 | 1 | 1,329,866 | 1,329,867 |
| | <hr/> | <hr/> | <hr/> |

SANTON INDUSTRIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Santon Industrial Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is Santon House, 53-55 Uxbridge Road, Ealing, London, W5 5SA.

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.

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 sterling pound £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.

The financial statements of the company are consolidated in the financial statements of Santon Capital Plc. These consolidated financial statements are available from its registered office, and the Companies House.

1.2 Going concern

The financial statements have been prepared on the assumption that the company is a going concern.

Taking all matters and information into account the directors have, at the time of approving the financial statements, a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents rent receivable net of VAT for the investment properties owned by the company. The revenue is recognised at the point of invoicing, and by reference to the period it relates and including any costs incurred.

1.4 Investment properties

The company's investment property, which is a 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. The surplus or deficit on revaluation is recognised in the income statement.

1.5 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.

SANTON INDUSTRIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.6 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 statement of financial position 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 and loans from fellow group companies 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.

SANTON INDUSTRIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 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.

1.8 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. *Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.*

SANTON INDUSTRIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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

The company's investment property which is a property held to earn rentals and/or capital appreciation is measured using the fair value model and stated at its fair value as at the reporting date. The directors have used their experience of the property market and with reference to evidence of transaction prices of similar properties and rental yields to arrive at an appropriate value at the year end.

3 Turnover

An analysis of the company's turnover is as follows:

| | 2022 | 2021 |
|-----------------|---------|---------|
| Turnover | £ | £ |
| Rent receivable | 318,784 | 293,447 |

Turnover analysed by geographical market

| | 2022 | 2021 |
|----------------|---------|---------|
| United Kingdom | £ | £ |
| | 318,784 | 293,447 |

4 Employees

There were no employees during the year.

5 Interest payable and similar expenses

| | 2022 | 2021 |
|--|--------|--------|
| Interest on bank overdrafts and loans | £ | £ |
| Interest payable to group undertakings | 72,065 | 69,866 |
| | 9,979 | - |
| | 82,044 | 69,866 |

SANTON INDUSTRIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Operating profit

The audit fee is borne by a fellow subsidiary company.

7 Taxation

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Deferred tax | | |
| Origination and reversal of timing differences | 68,589 | - |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Profit before taxation | 178,364 | 115,928 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 33,889 | 22,026 |
| Group relief | (33,889) | (22,026) |
| Deferred tax | 68,589 | - |
| Taxation charge for the year | 68,589 | - |

8 Investment property

| | 2022 £ |
|-----------------------------------|-----------|
| Fair value | |
| At 1 April 2021 and 31 March 2022 | 3,250,000 |

Investment property comprises freehold land and buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried by the directors.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

| | 2022 £ | 2021 £ |
|-----------------|-----------|-----------|
| Cost | 1,958,367 | 1,958,367 |
| Carrying amount | 1,958,367 | 1,958,367 |

SANTON INDUSTRIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Debtors

| | 2022 | 2021 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 1,000,000 | 1,000,000 |
| Other debtors | 102 | 102 |
| Prepayments and accrued income | 13,081 | 19,699 |
| | <u>1,013,183</u> | <u>1,019,801</u> |

10 Creditors: amounts falling due within one year

| | Notes | 2022 | 2021 |
|------------------------------------|-------|------------------|----------------|
| | | £ | £ |
| Bank loans | 12 | 2,500,000 | - |
| Amounts owed to group undertakings | | 160,433 | 342,504 |
| Taxation and social security | | 21,507 | 13,894 |
| Other creditors | | 10,747 | 2,877 |
| Accruals and deferred income | | 75,017 | 75,017 |
| | | <u>2,767,704</u> | <u>434,292</u> |

11 Creditors: amounts falling due after more than one year

| | Notes | 2022 | 2021 |
|-----------|-------|----------|------------------|
| | | £ | £ |
| Bank loan | 12 | - | 2,500,000 |
| | | <u>-</u> | <u>2,500,000</u> |

12 Loans and overdrafts

| | 2022 | 2021 |
|-------------------------|------------------|------------------|
| | £ | £ |
| Bank loan | 2,500,000 | 2,500,000 |
| | <u>2,500,000</u> | <u>2,500,000</u> |
| Payable within one year | 2,500,000 | - |
| Payable after one year | - | 2,500,000 |
| | <u>-</u> | <u>2,500,000</u> |

The bank loan is secured by way of legal charge on the freehold of the property at Coatham Avenue, Newton Aycliffe in favour of Barclays Bank Plc. They also have a legal charge on the freehold of the property, The Spencer, 237 Lower Richmond Road owned by the related company Santon Pubco Limited. The loan is subject to annual interest at 2.7% over the base rate and is repayable in 33 months from the facility agreement date 17 March 2020. Post year end the loan has been agreed for a further five years.

SANTON INDUSTRIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Share capital

| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
|--|----------------|----------------|-----------|-----------|
| Ordinary share capital Issued and fully paid Ordinary of £1 each | 1 | 1 | 1 | 1 |

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Liabilities 2022 £ | Liabilities 2021 £ |
|---|--------------------------|--------------------------|
| Balances: | | |
| Revaluations | 285,787 | 217,198 |
| Movements in the year: | | 2022 £ |
| Liability at 1 April 2021 | | 217,198 |
| Effect of change in tax rate - profit or loss | | 68,589 |
| Liability at 31 March 2022 | | 285,787 |

15 Operating lease commitments

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

| | 2022 £ | 2021 £ |
|----------------------------|-----------|-----------|
| Within one year | 325,000 | 325,000 |
| Between two and five years | 1,300,000 | 1,300,000 |
| In over five years | 2,636,507 | 2,961,507 |
| | 4,261,507 | 4,586,507 |

SANTON INDUSTRIAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the exemption available in FRS102 section 33.1A "Related Party Disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

17 Parent company and controlling party

The company is wholly owed subsidiary of Santon Capital Plc, a company registered in England & Wales and controlled by B.Sandhu. Santon Capital Plc prepares group financial statements and copies can be obtained from Companies House.