

Company registration number 02861582 (England and Wales)

EURO PROPERTY INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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EURO PROPERTY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	M A Shaikh Q Ahmed G T Mascal
Company number	02861582
Registered office	20 Brickfield Road Yardley Birmingham B25 8HE
Auditor	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR
Bankers	HSBC Bank plc 4th Floor 120 Edmund Street Birmingham B3 2QZ

EURO PROPERTY INVESTMENTS LIMITED

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EURO PROPERTY INVESTMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

The principal activity of the group continued to be that of investment properties.

There have not been any significant changes to the group's principal activities during the year under review. The Directors are not aware, at the date of this report, of any likely changes to the principal activities in the next year.

A profit before tax of £1.7m (2021: £4.8m) has been reported for the year. This is principally due to the following factors:

- Turnover for the year has increased by £5.2m. Property rental income has remained relatively consistent with the prior year, though there has been a increase in income associated with dilapidations and early surrender of leases, which does vary year-on-year depending on tenants. Income arising on sale of projects, includes development projects, sale of land and construction works. This project income has increased in-line with the number of projects completed during the year, being 3 in 2022 (2021: 2).
- Administrative expenses have increased by £3.4m. This includes £2m related to changes in joint venture investments and £900k repairs and maintenance to joint venture properties.
- Charitable donations of £2m (2021: £Nil) have been made.
- A loss of £3.6m (2021: £36k) has been incurred on the sale of investment properties. Gross sale proceeds were in-line with fair value assessments.
- Interest receivable remains consistent at £0.2m, whilst interest payable has increased by £0.8m as expected based on additional group borrowings.
- A gain on the disposal of an investment of £0.6m has been recognised in the year.
- Investment properties have been re-valued to fair value at the year end, in accordance with FRS102. The resultant value uplift credited to profit and loss amounts to £9.8m (£5.2m).

The investment property portfolio is carefully managed and appraised, and this is illustrated by the continued increase in the overall open market value of the portfolio of properties held. The fair value of the investment portfolio is assessed annually by a registered member of the Royal Institution of Chartered Surveyors. Open market valuations undertaken make reference to market evidence of transaction prices for similar properties, rental yields and subsequent sales values. As at 31 December 2022 the investment property portfolio was valued at £252.7m (2021: £238.6m).

The Directors are satisfied with both reported profit before tax of £1.7m (2021: £4.8m) and net assets of £108.9m (2021: £106.6m). This places the group in an extremely strong financial position, enabling the group to make further investments as opportunities arise.

EURO PROPERTY INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The group's activities expose it to a number of financial risks including investment risk, interest rate risk and credit risk.

Investment risk

Procedures and controls are in place so that all aspects of any potential acquisitions are diligently investigated. This would include scrutiny of legal title, risk, lease structure and review pattern and expected capital growth and market. It is only when all aspects are considered that an acquisition is approved.

Key performance indicators ("KPI") such as internal rate of return ("IRR") and market values/ demand are reviewed regularly. Quarterly reviews are undertaken to assess performance of assets which are individually monitored in respect of growth achieved and income generating potential.

Interest rate risk

The group has group and related company borrowings that are at a fixed rate of interest that are used to purchase investment properties. The risk is managed by monitoring key ratios such as interest cover as well as cash flow. The company does not use derivative financial instruments to manage this risk.

Credit risk

The group's credit risk is primarily attributable to its rental debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in recoverability of the cash flows.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and rental tenants.

Economic risk

As a result of global economic factors, including both the recovery post Covid-19 and the Ukraine war, costs generally have increased. This has impacted energy costs and overhead costs, which in-turn has resulted in increased cost of living and the contributing increases in staff recharge costs. These inflation related price increases are expected to remain for some time to come. Close monitoring of costs by the Directors to budget are in place to mitigate the financial impact on on-going profitability.

Key performance indicators

The group reviews and monitors its performance against a number of key financial performance indicators. The principal measures include revenue growth, growth of investment properties and value of net assets. These are reviewed by the management team and reported to the Board on a monthly basis.

The Directors have and will continue to monitor all of the KPI's and daily operating controls and maintain a strong focus on increasing performance in all aspects of the business.

The main KPI's and corresponding results are as follows:

	2022	2021
Total income	£22.2m	£17.1m
Valuation of properties held	£252.7m	£238.6m
Growth in property portfolio valuations	£14.1m	£37m
Net assets	£108.9m	£106.6m

Property rental income has fundamentally remained consistent year-on-year.

The group's investment property portfolio has grown both in terms of number of properties held and in fair value, in-line with the group's long term strategic plans.

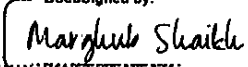
As a result of the profit after tax being retained in the group, net assets have increased to a significant £109m. This illustrates the group's strengthened financial position and significant resources available to enable the group to make further investments as opportunities arise.

EURO PROPERTY INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

DocuSigned by:

.....U4A87FB9FA8E43A..
M A Shaikh
Director

Date:29/9/2023...11:18 AM BST

EURO PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The results for the year are set out on page 9.

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

Directors

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

M A Shaikh
Q Ahmed
G T Mascal

Political donations

The group made the following political donations of £Nil (2021: £5,000) during the year.

Research and development

The group continues to utilise its the knowledge and expertise of its key contractors to remain at the forefront of property development. By constantly investing in talented individuals and advancing technology the group continues to develop innovative and future proofed properties

Future developments

The group will continue to manage and invest in its investment property portfolio, held for both rental and capital growth.

Auditor

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

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

EURO PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

DocuSigned by:

Marghuh Shaikh

.....04A87FB9FA8E48A.....

M A Shaikh

Director

Date: 29/9/2023 | 11:18 AM BST
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EURO PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EURO PROPERTY INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Euro Property Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 December 2022 and of the group's 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 group and parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

EURO PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EURO PROPERTY INVESTMENTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Auditor's responsibilities for the audit of the financial statements

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

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the group's license to operate. We identified the following areas as those most likely to have such an effect: laws related to rental activities and the regulated nature of the rental industry, health and safety, data protection and employment law.

EURO PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EURO PROPERTY INVESTMENTS LIMITED

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

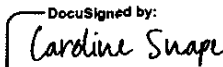
We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

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.

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:

Caroline Snape (Senior Statutory Auditor)
For and on behalf of Cowgill Holloway LLP

29/9/2023 | 11:20 AM BST
Date:

Chartered Accountants
Statutory Auditor

Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

EURO PROPERTY INVESTMENTS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	22,320,614	17,083,913
Cost of sales		(12,369,271)	(8,390,451)
Gross profit		9,951,343	8,693,462
Administrative expenses		(9,531,936)	(6,155,913)
Other operating income		1,545,969	1,359,303
Operating profit before donations and other profits	5	1,965,376	3,896,852
Charitable donations	4	(2,000,000)	-
Profit on sale of assets		(3,612,842)	(36,276)
Operating (loss)/profit	5	(3,647,466)	3,860,576
Interest receivable and similar income	8	319,225	251,153
Interest payable and similar expenses	9	(5,356,743)	(4,485,810)
Gain on disposal of investment	10	599,379	-
Fair value gains and losses on investment properties	13	9,791,344	5,169,736
Profit before taxation		1,705,739	4,795,655
Tax on profit	11	601,422	(7,958,089)
Profit/(loss) for the financial year	24	2,307,161	(3,162,434)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is attributable to:

- Owners of the parent company	2,307,161	(3,162,977)
- Non-controlling interests	-	543
	2,307,161	(3,162,434)

EURO PROPERTY INVESTMENTS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		71		3,671
Investment property	13		252,711,379		238,583,155
			<u>252,711,450</u>		<u>238,586,826</u>
Current assets					
Stocks	16	1,730,841		5,002,166	
Debtors	17	21,958,876		23,109,004	
Cash at bank and in hand		4,334,100		4,457,094	
		<u>28,023,817</u>		<u>32,568,264</u>	
Creditors: amounts falling due within one year	18	(23,017,618)		(21,164,733)	
Net current assets			<u>5,006,199</u>		<u>11,403,531</u>
Total assets less current liabilities			<u>257,717,649</u>		<u>249,990,357</u>
Creditors: amounts falling due after more than one year	19		(120,767,905)		(114,767,905)
Provisions for liabilities					
Deferred tax liability	20	28,029,449		28,608,675	
		<u>(28,029,449)</u>		<u>(28,608,675)</u>	
Net assets			<u>108,920,295</u>		<u>106,613,777</u>
Capital and reserves					
Called up share capital	21		789		789
Share premium account	22		4,536,387		4,536,387
Other reserves	23		-		(89,685)
Profit and loss reserves	24		104,383,119		102,165,643
			<u>108,920,295</u>		<u>106,613,134</u>
Equity attributable to owners of the parent company			<u>108,920,295</u>		<u>106,613,134</u>
Non-controlling interests			-		643
			<u>108,920,295</u>		<u>106,613,777</u>

The financial statements were approved by the board of directors and authorised for issue on 29/9/2023 | 11:18 AM BST and are signed on its behalf by:

DocuSigned by:

Margherita Shaikh

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M A Shaikh
Director

Company registration number 02861582 (England and Wales)

EURO PROPERTY INVESTMENTS LIMITED

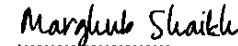
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investment property	13	235,715,402		228,822,499	
Investments	14		9,200		9,100
		235,724,602		228,831,599	
Current assets					
Debtors falling due after more than one year	17	9,596,620		10,013,338	
Debtors falling due within one year	17	40,730,465		32,569,693	
Cash at bank and in hand		1,064,308		1,580,017	
		51,391,393		44,163,048	
Creditors: amounts falling due within one year	18	(31,514,980)		(23,830,626)	
Net current assets		19,876,413		20,332,422	
Total assets less current liabilities		255,601,015		249,164,021	
Creditors: amounts falling due after more than one year	19	(120,767,905)		(114,767,905)	
Provisions for liabilities					
Deferred tax liability	20	27,394,499		28,359,434	
		(27,394,499)		(28,359,434)	
Net assets		107,438,611		106,036,682	
Capital and reserves					
Called up share capital	21	789		789	
Share premium account	22	4,536,387		4,536,387	
Profit and loss reserves	24	102,901,435		101,499,506	
Total equity		107,438,611		106,036,682	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,401,929 (2021 - £4,000,600 loss).

The financial statements were approved by the board of directors and authorised for issue on 29/9/2023 | 11:18 AM BST and are signed on its behalf by:

DocuSigned by:

 04A87FB9FA8E43A
 M A Shaikh
 Director

Company registration number 02861582 (England and Wales)

EURO PROPERTY INVESTMENTS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2021	789	4,536,387	-	105,350,268	109,887,444	-	109,887,444
Year ended 31 December 2021:							
Loss for the year	-	-	-	(3,162,434)	(3,162,434)	-	(3,162,434)
Other comprehensive income:							
Amounts attributable to non-controlling interests	-	-	-	(543)	(543)	543	-
Total comprehensive income	-	-	-	(3,162,977)	(3,162,977)	543	(3,162,434)
Fair value gain on loan discounting	-	-	(111,333)	-	(111,333)	-	(111,333)
Transfers	-	-	21,648	(21,648)	-	-	-
Acquisition of subsidiary	-	-	-	-	-	100	100
Balance at 31 December 2021	789	4,536,387	(89,685)	102,165,643	106,613,134	643	106,613,777
Year ended 31 December 2022:							
Profit and total comprehensive income	-	-	-	2,307,161	2,307,161	-	2,307,161
Transfers	-	-	89,685	(89,685)	-	-	-
Disposal of subsidiary	-	-	-	-	-	(643)	(643)
Balance at 31 December 2022	789	4,536,387	-	104,383,119	108,920,295	-	108,920,295

EURO PROPERTY INVESTMENTS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	789	4,536,387	105,500,106	110,037,282
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(4,000,600)	(4,000,600)
Balance at 31 December 2021	789	4,536,387	101,499,506	106,036,682
Year ended 31 December 2022:				
Profit and total comprehensive income	-	-	1,401,929	1,401,929
Balance at 31 December 2022	789	4,536,387	102,901,435	107,438,611

EURO PROPERTY INVESTMENTS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	28	8,750,110		37,122,991	
Interest paid		(5,356,743)		(4,485,810)	
Income taxes paid		(7,757)		(7,752)	
Net cash inflow from operating activities		3,385,610		32,629,429	
Investing activities					
Purchase of investment property	(22,106,022)		(33,423,307)		
Proceeds from disposal of investment property	17,769,142		1,363,354		
Proceeds from disposal of investments	598,736		-		
Repayment of loans	-		5,520		
Interest received	229,540		229,505		
Net cash used in investing activities		(3,508,604)		(31,824,928)	
Net (decrease)/increase in cash and cash equivalents		(122,994)		804,501	
Cash and cash equivalents at beginning of year		4,457,094		3,652,593	
Cash and cash equivalents at end of year		4,334,100		4,457,094	

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Euro Property Investments Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 20 Brickfield Road, Yardley, Birmingham, B25 8HE.

The group consists of Euro Property Investments Limited and all of its subsidiaries.

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 £.

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

The company is a qualifying entity for the purpose of FRS102 and has elected to take exemption under FRS102 paragraph 1.12 (b) not to present the company statement of cashflows.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Euro Property Investments Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Turnover

Turnover represents gross rents and insurance receivable under operating leases from investment properties, and is recognised on a straight line basis over the lease term. Where rent free periods or similar incentives are granted to tenants, these are amortised over the term of the lease.

Other turnover represents income receivable in relation to leases and is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Income in relation to the completion of projects is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% p.a. straight line basis
Computers	50% p.a. straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.5 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.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 group 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 group 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.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 profit and loss account, 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 if, and only if, there is 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.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

1.14 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 group'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 properties

The key source of estimation uncertainty in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the valuation of investment properties. These are valued by a Chartered Surveyor employed by the group. Investment properties are measured at each year end at their open market value, and resulting gains and losses are recorded directly in the profit and loss account, taking account of input from suitable qualified professional advisers. See further details per note 13.

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Rental income	8,871,044	9,116,069
Dilapidation income	1,505,211	158,000
Surrender of lease	148,083	-
Other sales	446,889	515,755
Sale of projects	11,349,387	7,294,089
	<u>22,320,614</u>	<u>17,083,913</u>
	2022 £	2021 £
Other revenue		
Interest income	319,225	251,153
	<u>319,225</u>	<u>251,153</u>

All of the group's turnover is attributable to its principal activity within the United Kingdom.

4 Charitable donations

	2022 £	2021 £
Charitable donations	2,000,000	-

During the year the group made charitable donations of £500,000 (2021: £Nil) to The Family Trust and £1,500,000 (2021: £Nil) to The Trust Foundation.

5 Operating (loss)/profit

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	3,600	3,827
Release of negative goodwill	-	(25,489)
Operating lease charges	24,127	41,006

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	20,000	15,500
Audit of the financial statements of the company's subsidiaries	5,600	4,500
	<u>25,600</u>	<u>20,000</u>

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Total	-	-	-	-

No remuneration was paid to any director of the company in the year (2021: £Nil).

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Other interest income	229,540	229,505
Other income from investments		
Gains on financial instruments measured at fair value through profit or loss	89,685	21,648
Total income	319,225	251,153

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	5,298,060	4,427,310
Other finance costs:		
Other interest	58,683	58,500
Total finance costs	5,356,743	4,485,810

10 Amounts written off investments

	2022 £	2021 £
Gain on disposal of fixed asset investments	599,379	-

11 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	33,424	49,260
Adjustments in respect of prior periods	(55,620)	-
Total current tax	(22,196)	49,260

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Taxation

(Continued)

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	(356,084)	1,232,486
Changes in tax rates	(229,261)	6,676,343
Adjustment in respect of prior periods	6,119	-
Total deferred tax	(579,226)	7,908,829
Total tax (credit)/charge	(601,422)	7,958,089

The actual (credit)/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	1,705,739	4,795,655
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	324,090	911,174
Tax effect of expenses that are not deductible in determining taxable profit	77,216	552,770
Tax effect of income not taxable in determining taxable profit	(3,079,552)	(222,032)
Gains not taxable	(17,040)	46,888
Tax effect of utilisation of tax losses not previously recognised	(83,567)	(199)
Unutilised tax losses carried forward	(4,912)	1,561
Adjustments in respect of prior years	(55,620)	-
Effect of change in corporation tax rate	(229,261)	6,676,343
Group relief	-	(3,766)
Permanent capital allowances in excess of depreciation	(120,171)	(4,650)
Other permanent differences	686,439	-
Deferred tax adjustments in respect of prior years	6,119	-
Chargeable gain	1,894,837	-
Taxation (credit)/charge	(601,422)	7,958,089

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

Group	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2022 and 31 December 2022	12,183	2,540	14,723
Depreciation and impairment			
At 1 January 2022	8,512	2,540	11,052
Depreciation charged in the year	3,600	-	3,600
At 31 December 2022	12,112	2,540	14,652
Carrying amount			
At 31 December 2022	71	-	71
At 31 December 2021	3,671	-	3,671

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

13 Investment property

	Group 2022 £	Company 2022 £
Fair value		
At 1 January 2022	238,583,155	228,822,499
Additions through external acquisition	22,106,022	18,966,295
Disposals	(17,769,142)	(17,769,142)
Net gains or losses through fair value adjustments	9,791,344	5,695,750
At 31 December 2022	252,711,379	235,715,402

Investment property comprises of multiple properties held for rental purposes.

The investment properties have been restated at their fair value as at 31st December 2022, based on valuations calculated by a registered member of the Royal Institution of Chartered Surveyors, who is employed by the group. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties, rental yields and subsequent sale values.

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Cost	148,131,098	128,487,579	136,193,308	121,132,924
Accumulated depreciation	-	-	-	-
Carrying amount	148,131,098	128,487,579	136,193,308	121,132,924

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Investment property

(Continued)

Included within investment properties are £33,978,278 (2021: £27,480,832) of jointly owned properties with third parties. In accordance with FRS102 section 15 'Investments in Joint Ventures' these are been classified as jointly controlled assets and the company has recognised its share of the property under the terms of the agreement with third parties.

14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	9,200	9,100

Movements in fixed asset investments Company

Shares in
subsidiaries
£

Cost or valuation

At 1 January 2022

9,100

Additions

100

At 31 December 2022

9,200

Carrying amount

At 31 December 2022

9,200

At 31 December 2021

9,100

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Angle Euro Limited (12757385)	1	Holding company	Ordinary shares	100.00	-
Euro Property Construction and Development Limited (11591784)	1	Construction of building projects	Ordinary shares	100.00	-
HDD Beechdale Retail Limited (11835363)	2	Construction of building projects	Ordinary shares	-	100.00
HDD Buxton Limited (11760017)	2	Construction of building projects	Ordinary shares	-	100.00
HDD Cranbrook Limited (11760059)	2	Construction of building projects	Ordinary shares	-	100.00
HDD Buxton Retail Limited (11835355)	2	Construction of building projects	Ordinary shares	-	100.00
HDD Euro Group Services Limited (11760035)	2	Construction of building projects	Ordinary shares	-	100.00
HDD Euro Limited (11853016)	1	Holding company	Ordinary shares	100.00	-
HDD Sherford Limited (11762264)	2	Construction of building projects	Ordinary shares	-	100.00
HDD Mickleover Limited (12695476)	2	Construction of building projects	Ordinary shares	-	100.00
HDD Cranbrook Retail Limited (11760270)	2	Construction of building projects	Ordinary shares	-	100.00
Quora (Liskeard) Limited (12734597)	4	Dormant	Ordinary shares	-	100.00
Quora Euro Limited (12665975)	1	Holding company	Ordinary shares	100.00	-
Rotherhill Euro Limited (12667964)	1	Holding company	Ordinary shares	100.00	-
Rotherhill Garnham Limited (13018450)	1	Construction of building projects	Ordinary shares	-	100.00
Rotherhill Kirkby Limited (13074170)	1	Construction of building projects	Ordinary shares	-	100.00
Stainton Euro Limited (13075917)	1	Holding company	Ordinary shares	100.00	-
Stainton March Limited (13076450)	1	Construction of building projects	Ordinary shares	-	100.00
Tungsten Brackley Limited (13058223)	3	Construction of building projects	Ordinary shares	-	-
Tungsten Euro Limited (12825238)	1	Holding company	Ordinary shares	100.00	-
Tungsten Tamworth (1) Limited (12361810)	3	Construction of building projects	Ordinary shares	-	100.00
Your Office Space Limited (11221452)	1	Rental and management of commercial properties	Ordinary shares	100.00	-
Angle Property (Bracknell) Limited (13085453)	5	Construction of building projects	Ordinary shares	-	100.00
EP Nether Heyford Limited (13213144)	1	Construction of building projects	Ordinary shares	-	100.00
Brightfield Euro Limited (13292498)	1	Holding company	Ordinary shares	100.00	-
Chase Euro Limited (13246664)	1	Holding company	Ordinary shares	100.00	-
Chase Euro (Drakes Broughton) Limited (13252813)	1	Construction of building projects	Ordinary shares	-	100.00
South Park Management Company (Southam) Limited (05106323)	1	Management company	Limited by Guarantee	100.00	-
Rotherhill Coxmoor Limited (14192968)	6	Dormant	Ordinary shares	-	100.00
O & C Euro Limited	1	Holding company	Ordinary shares	100.00	-
Angle Property (Bracknell 2) Limited (13085453)	5	Construction of building projects	Ordinary shares	-	100.00

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Subsidiaries

(Continued)

Registered office addresses (all UK unless otherwise indicated):

- 1 20 Brickfield Road, Yardley, Birmingham, B25 8HE
- 2 Pavilion House 14-16 Bridgford Road, West Bridgford, Nottingham, Nottinghamshire, NG2 6AB
- 3 Gateway House, 4 Penman Way, Grove Park, Leicester, Leicestershire, LE19 1SY
- 4 The Firs, 67 London Road, Newark, Notts, NG24 1RZ
- 5 Third Floor Queensberry House, 3 Old Burlington Street, W1S 3AE
- 6 The Station House, 15 Station Road, St. Ives, PE27 5BH

All subsidiaries, excluding Your Office Space Limited, are exempt from audit under the provisions of s479a of the Companies Act 2006. The company has provided a guarantee for the liabilities of all subsidiaries, excluding Your Office Space Limited, in connection with the financial period ended 31 December 2022.

16 Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Work in progress	1,730,841	5,002,166	-	-

17 Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,202,328	889,069	1,061,631	728,973
Gross amounts owed by contract customers	5,818,578	7,294,089	-	-
Corporation tax recoverable	36,861	36,861	36,861	36,861
Amounts owed by group undertakings	-	271	34,408,884	29,468,574
Amounts owed by undertakings in which the company has a participating interest	1,428,688	827,879	1,428,688	827,879
Other debtors	5,664,799	7,317,049	3,152,811	1,229,924
Prepayments and accrued income	1,106,865	495,150	641,590	277,482
	<u>15,258,119</u>	<u>16,860,368</u>	<u>40,730,465</u>	<u>32,569,693</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	2,895,863	4,157,128
Amount owed by related parties	5,100,000	5,100,000	5,100,000	5,100,000
Other debtors	-	392,426	-	-
Prepayments and accrued income	1,600,757	756,210	1,600,757	756,210
	<u>6,700,757</u>	<u>6,248,636</u>	<u>9,596,620</u>	<u>10,013,338</u>
Total debtors	<u>21,958,876</u>	<u>23,109,004</u>	<u>50,327,085</u>	<u>42,583,031</u>

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Debtors

(Continued)

Amounts owed by group undertakings and related party balances included within debtors falling due within one year consist of trading balances, these are unsecured and do not attract interest.

Debtors falling due after more than one year owed by related parties and group undertakings consist of fixed term unsecured loans. Interest accrues on these loans at 4.5% p.a. The loans are due to be repaid in 2027.

18 Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	841,013	1,437,483	312,444	88,937
Amounts owed to group undertakings	-	-	13,590,481	10,761,382
Amounts owed to undertakings in which the group has a participating interest	208,965	179,813	-	-
Corporation tax payable	30,847	60,800	30,847	19,440
Other taxation and social security	274,647	32,450	16,069	21,282
Other creditors	17,641,014	17,264,285	15,476,561	11,786,403
Accruals and deferred income	4,021,132	2,189,902	2,088,578	1,153,182
	<u>23,017,618</u>	<u>21,164,733</u>	<u>31,514,980</u>	<u>23,830,626</u>

Amounts owed to related parties, included within other creditors, relate to trading balances. They are unsecured with no fixed repayment date and do not attract interest.

19 Creditors: amounts falling due after more than one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts owed to group undertakings	119,467,905	113,467,905	119,467,905	113,467,905
Amounts owed to related parties	1,300,000	1,300,000	1,300,000	1,300,000
	<u>120,767,905</u>	<u>114,767,905</u>	<u>120,767,905</u>	<u>114,767,905</u>

Amounts owed to parent company and related parties relate to fixed term loans. They are unsecured and attract interest at 4.5% p.a. The loans are repayable in 2027.

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	(31,194,332)	(28,837,599)
Tax losses	(88,319)	-
Revaluations	59,312,100	57,446,274
	<u>28,029,449</u>	<u>28,608,675</u>
	Liabilities 2022 £	Liabilities 2021 £
Company		
Accelerated capital allowances	(31,534,352)	(28,846,191)
Revaluations	58,928,851	57,205,625
	<u>27,394,499</u>	<u>28,359,434</u>
	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 January 2022	28,608,675	28,359,434
Credit to profit or loss	(579,226)	(964,935)
	<u>28,029,449</u>	<u>27,394,499</u>

The deferred tax liability set out above is expected to reverse in the future and relates to accelerated capital allowances and revaluations of investment properties to fair value.

21 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 10p each	<u>7,893</u>	<u>7,893</u>	<u>789</u>	<u>789</u>

22 Share premium account

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses.

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Other reserves

Other reserves relate to a non-market rate loan which has been measured to be at the present value of the future payments (including interest payments and repayment of the principal), discounted at the deemed applicable market rate of 4.5% which has been determined based on other similar funding secured across the group.

24 Profit and loss reserves

Retained earnings represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties net of dividends paid and other adjustments.

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	1,524	24,720	-	-
Between two and five years	-	1,524	-	-
	<u>1,524</u>	<u>26,244</u>	<u>-</u>	<u>-</u>

Lessor

The operating leases represent leases of various investment properties to third parties. The leases are negotiated over terms of typically 2 to 10 years (though some are longer) and rentals are fixed for typically 5 years. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	1,588,979	4,021,615	1,588,979	4,021,615
Between two and five years	4,185,652	12,526,152	4,185,652	12,526,152
In over five years	10,637,328	8,571,333	10,637,328	8,571,333
	<u>16,411,959</u>	<u>25,119,100</u>	<u>16,411,959</u>	<u>25,119,100</u>

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Related party transactions

The group has taken advantage of the exemption provided in Financial Reporting Standard 102 Section 33 from disclosing related party transactions with group companies where a subsidiary party to the transaction is wholly owned.

During the year, property management fees of £360,000 (2021: £360,000) were received from Coppice Alupack Limited, a related company due to common directors and control. At the balance sheet date, an amount of £Nil (2021: £576,000) was owed by Coppice Alupack Limited and is included within other debtors.

During the year, the group has recognised rental income of £2,475,943 (2021: £1,785,912) and property management fee income of £300,000 (2021: £300,000) from Euro Packaging UK Limited, a related company due to common directors and control. The group also recognised recharges of £683,426 (2021: £511,752) from and recharges of £336,593 (2021: £Nil) to Euro Packaging UK Limited. During the year, loans of £1,500,000 (2021: £Nil) were advanced to Euro Packaging UK Limited and repayments of £1,500,000 (2021: £Nil) were received. The group also received loans of £1,700,000 from Euro Packaging UK Limited and repayments of £1,700,000 were made. At the balance sheet date, an amount of £674,814 was owed by Euro Packaging UK Limited and is included within other debtors (2021 creditor: £152,194).

During the year, the group has recognised interest income of £229,500 (2021: £229,500) from AMA Investments Jersey Limited, a related company due to common directors and control. As at the year-end, £5,100,000 (2021: £5,100,000) is included in amounts owed by related parties due over 1 year. The balance owed is unsecured and attracts interest at 4.5% p.a. Additionally, amounts due to AMA Investments Jersey Limited as at the year-end amounted to £229,500 (2021: £227,461) and is included within other creditors.

During the year, the group has recognised property management fees of £50,000 (2021: £50,000) from Robert Walker (Food Merchants) Limited, a related company due to common directors and control. The group has also recharged expenses of £4,707 (2021: £Nil) and loaned amounts of £201,000 (2021: £Nil) to Robert Walker (Food Merchants) Limited. At the balance sheet date, an amount of £315,852 (2021: £50,146) was owed by Robert Walker (Food Merchants) Limited and is included within other debtors. During the year the company made donations of £500,000 (2021: £Nil) to The Family Trust, a related party due to its common trustees. At the balance sheet date, an amount of £300,091 (2021: £300,271) was owed to The Family Trust and is included within other creditors.

During the year, the group has recognised rental and insurance charges of £323,063 (2021: £242,605) to Walkers Chocolates Limited, a company under common control. At the year end, an amount of £191,774 (2021: £Nil) was owed from Walkers Chocolates Limited, this amount is included within other debtors.

During the year the group has recognised agent fees of £3,000,000 (2021: £Nil) and development fees of £584,279 (2021: £546,829) from Euro Capital General Trading LLC, a company under common control. At the year end, an amount of £6,513,107 (2021: £5,928,828) was owed to Euro Capital General Trading LLC, this amount is included within other creditors.

During the year, the group has recognised interest charges of £58,500 (2021: £58,500) to Euro Packaging Jersey Limited, a related company due to common directors and control. As at the year-end, an amount of £1,300,000 (2021: £1,300,000) is included in amounts owed to related parties due over 1 year. The balance owed is unsecured and attracts interest at 4.5% p.a. Additionally, amounts due to Euro Packaging Jersey Limited as at the year-end amounted to £1,707,366 (2021: £1,707,366) and is included within other creditors.

As at the year end there are balances owing from the ultimate shareholders of £949 (2021: £180) and owed to the ultimate shareholders of £2,880 (2021: £3,608). The debtor balances owed are unsecured and debtor balances attract interest at 2.00% (2021: 2.00%). Advances made to shareholders in the year totalled £4,259 (2021: £4,323), repayments made by shareholders totalled £2,762 (2021: £600,532). Additionally during the year a short term loan was provided by an ultimate shareholder to the group totalling £2,000,000 which was fully repaid during the year.

EURO PROPERTY INVESTMENTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Controlling party

The parent company is EPIL Jersey Holdings Limited, a company registered in Jersey.

The controlling parties of EPIL Holdings Jersey Limited are A M Alimahomed and S M Alimahomed, each owning 50% of the share capital of EPIL Jersey Holdings Limited.

28 Cash generated from group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	2,307,161	(3,162,434)
Adjustments for:		
Taxation (credited)/charged	(601,422)	7,958,089
Finance costs	5,356,743	4,485,810
Investment income	(319,225)	(251,153)
Fair value loss/(gain) on loan discounting	89,685	(89,685)
Fair value gain on investment properties	(9,791,344)	(5,169,736)
Depreciation and impairment of tangible fixed assets	3,600	3,827
Gain on sale of investments	(599,379)	-
Movements in working capital:		
Decrease/(increase) in stocks	3,271,325	(2,925,947)
Decrease/(increase) in debtors	1,150,128	(6,569,468)
Increase in creditors	7,882,838	42,843,588
Cash generated from operations	<u>8,750,110</u>	<u>37,122,891</u>

29 Analysis of changes in net funds - group

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	<u>4,457,094</u>	<u>(122,994)</u>	<u>4,334,100</u>