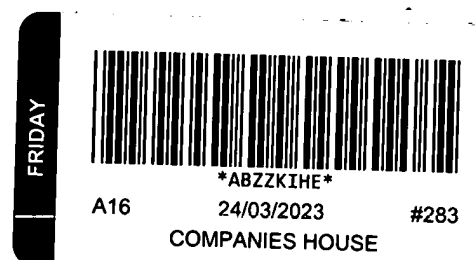


Trenport Investments Limited
(registered number: 01265480)

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



Trenport Investments Limited

Strategic report for the year ended 30 June 2022

The directors present their Strategic report for Trenport Investments Limited ("the company") for the year ended 30 June 2022.

Review of the business and key performance indicators

The company owns a portfolio of land which can be used for residential development, and is treated as inventory in the accounts. Throughout the year, demand for land available for residential development remained strong.

Sales of land are the biggest contributor to income in the year. Sales of land in the current year were £25,517,000 (2021: £520,000). Sales of land are irregular in nature so comparisons with sales in prior years do not form an accurate basis for activity and performance.

The company made a profit before tax of £32,966,000 (2021: £31,170,000). This has been transferred to reserves. The results of the company are set out in the Statement of comprehensive income on page 10.

The company received dividends of £8,375,000 during the year (2021: £31,150,000). The directors declared and paid a final dividend of £28,375,000 (2021: £nil).

The value of development land, including acquisitions, work in progress and after disposals and impairments during the period is carried in the financial statements as inventory at its cost or net realisable value of £4,382,000 (2021: £5,142,000). There were no impairments in the current or prior years.

A key performance indicator is the net asset position of the company. The value of the net assets at 30 June 2022 was £24,904,000 (2021: net asset £24,797,000).

The financial position of the company is set out in the Statement of financial position on page 11.

Principal risks and financial risk management

The management of the business and execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are the process and time taken to secure statutory consent and ensuring that the consents are valuable. The risk is mitigated by having a range of projects being promoted at any one time averaging out timescales. The business also has a number of possible exit points to generate cash. These can be as early as land promotion, after securing an outline consent, refining the consent, refining the technical solutions to lower costs, "placemaking" or marketing the scheme and locality. Further exit points can be after the construction of minor or major infrastructure or the company can undertake the development itself or in partnership with another group of third party company.

The company is directed by experienced experts in the field and has access to planning and technical teams who work to promote and progress proposed schemes and add value local authorities and other stakeholders to ensure that planning and developments meet the requirements of the company and outside stakeholders.

The residual risks created by the Covid pandemic are still affecting the statutory authorities work processes and resources and this is being actively addressed by subsidising the authorities so they can acquire external professional advice in order to expedite the planning process.

The risks arising from the terms on which the United Kingdom withdrew from the European Union and the effects of the Covid pandemic, and their potential implications on the company's trade, customers, suppliers and the wider economy, are regularly assessed by management. These risks and their impacts are manageable and the business has successfully dealt with challenges to date.

Trenport Investments Limited

Strategic report for the year ended 30 June 2022

Development opportunities

The company owns a number of sites across the South East of England where it is engaged in promoting them for residential and employment use with the respective local authorities.

Planning permission has been granted for a mixed use scheme development of approximately 300 new homes and employment land at Teynham, Kent which is currently being offered for sale.

Major planning applications submitted and awaiting determination in Kent are for 950 houses at Eccles, 300 houses at Sittingbourne, 250 houses at Cliffe. Other smaller development proposals are at various stages of being promoted or consented.

The company has an on-going strategy for the disposal of its development land and any residual land when it has been established that it has little or no prospect of securing planning consent for development or is required for technical, mitigation or for community relationships.

Going concern

As referred to in the accounting policies, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities.

Throughout the current financial year, the market for houses outside of London remained strong. This ensures a ready market for the sale of land with planning permission for housebuilding underpinned by a fundamental shortage of consented land to meet the housing supply shortage.

The company's holding company, Trenport Property Holdings Limited has provided a letter of support and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the signing of the accounts. Accordingly, they continue to adopt the going concern basis in the preparation of the Annual report and financial statements.

Future outlook

The directors remain confident on the trading outlook of the land and the development opportunities for the business.

Approved by the board and signed on its behalf by:

DocuSigned by:

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R J Hall
Director
5 October 2022

Trenport Investments Limited

Directors' report for the year ended 30 June 2022

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

This set of financial statements for the year ended 30 June 2022 has been prepared in accordance with The Reduced Disclosure Framework (FRS 101). This Report of the directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under section 414B of the Companies Act 2006.

Directors

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

R J Hall	
E R Smeaton	appointed 1 July 2021
N J Hopper	resigned 31 July 2021

Elective resolutions

The company has passed elective resolutions to dispense with the holding of annual general meetings and for the laying of the annual report and financial statements before the company in general meetings, until such time as the elections are revoked.

Sustainability

The directors believe that good environmental management is integral to generating good profit in addition to being necessary to meet statutory requirements. The company complies with the Town and Country planning process, which requires full Environmental Impact Assessments, detailed flood risk analysis and mitigation and site remediation and risk management for assets and human health.

Premises are designed to satisfy increasingly demanding building regulation codes for sustainable construction and additional industry standards such as BREEAM are generally assessed as "Very Good".

Statement to disclosure of information to auditors

Each of the persons who are directors at the time when the Report of the directors' is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

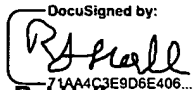
Trenport Investments Limited

Directors' report for the year ended 30 June 2022 (continued)

Auditor

Deloitte LLP have indicated their willingness to continue in office, pursuant to section 487(2) of the Companies Act 2006

Approved by the board and signed on its behalf by:

DocuSigned by:

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R J Hall
Director
5 October 2022

Trenport Investments Limited

Statement of directors' responsibilities

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

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

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

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

Trenport Investments Limited

Independent auditors' report to the members of Trenport Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Trenport Investments Limited (the "company"):

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

We have audited the financial statements which comprise:

- the Statement of comprehensive income;
- the Statement of financial position;
- the Statement of changes in equity;
- the Statement of accounting policies; and
- the related notes 1 - 13

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "The Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Trenport Investments Limited

Independent auditors' report to the members of Trenport Investments Limited (continued)

Other information (continued)

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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Trenport Investments Limited

Independent auditors' report to the members of Trenport Investments Limited (continued)

We discussed among the audit engagement team, including relevant internal specialists such as tax, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulation in the following areas, and our specific procedures performed to address it are described below:

- Valuation of property held as stock: At any point in time, the company holds significant levels of inventory, including work in progress. Land development is complex with long lead times until a site is ready for sale. Assessments are made over the valuation of the land, either by professional qualified external valuers, or by the parent company's own internal qualified staff to ensure the inventory is correctly stated at the lower of cost and net realisable value. Deloitte have assessed these valuations with reference to the external benchmarks and market conditions to ensure the inventory is correctly stated at the lower of cost and net realisable value.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the company, 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.

We have nothing to report in respect of these matters.

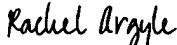
Trenport Investments Limited

Independent auditors' report to the members of Trenport Investments Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Rachel Argyle (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

5 October 2022

Trenport Investments Limited

Statement of comprehensive income for the year ended 30 June 2022

		2022	2021
	Notes	£'000	£'000
Revenue		25,517	607
Cost of sales		<u>(1,305)</u>	<u>(255)</u>
Gross Profit		24,212	352
Other income		721	150
Dividends received		8,375	31,150
Administrative expenses		<u>(342)</u>	<u>(482)</u>
Profit before taxation	2	32,966	31,170
Tax on profit	3	<u>(4,484)</u>	-
Profit and total comprehensive income for the financial year		<u>28,482</u>	<u>31,170</u>

The profit for the current and prior financial year arises from the company's continuing operations.

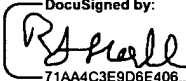
The accounting policies and notes on pages 13 to 20 are an integral part of these financial statements.

Trenport Investments Limited**Statement of financial position as at 30 June 2022**

	Notes	2022 £'000	2021 £'000
Non-current assets			
Tangible assets	4	-	-
Investment in subsidiary undertakings	5	35,200	35,200
		<u>35,200</u>	<u>35,200</u>
Current assets			
Inventories	6	4,382	5,142
Debtors: amounts falling due within one year	7	21,071	5,087
		<u>25,453</u>	<u>10,229</u>
Total Assets		<u>60,653</u>	<u>45,429</u>
Current liabilities	8	(35,749)	(20,632)
Net current liabilities		<u>(10,296)</u>	<u>(10,403)</u>
Net assets		<u>24,904</u>	<u>24,797</u>
Capital and reserves			
Called up share capital	9	3,152	3,152
Accumulated profit		<u>21,752</u>	<u>21,645</u>
Total shareholders' funds		<u>24,904</u>	<u>24,797</u>

The accounting policies and notes on pages 13 to 20 are an integral part of these financial statements.

The financial statements for Trenport Investments Limited, company number 01265480, are presented on pages 10 to 20 and were approved by the board of directors on 5 October 2022 and signed on its behalf by:

DocuSigned by:

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R J Hall
Director

Trenport Investments Limited**Statement of changes in equity as at year ended 30 June 2022**

	Called up share capital £'000	Accumulated profit/(losses) £'000	Total equity £'000
At 1 July 2020	3,152	(9,525)	(6,373)
Profit for the financial year and total comprehensive income	-	31,170	31,170
At 30 June 2021	3,152	21,645	24,797
Profit for the financial year and total comprehensive income	-	28,482	28,482
Dividends paid	-	(28,375)	(28,375)
At 30 June 2022	3,152	21,752	24,904

Trenport Investments Limited

Notes to financial statements for the Year ended 30 June 2022

Statement of accounting policies

General information

Trenport Investments Limited is primarily a property trading and development company and the parent of two of subsidiary companies (see note 10).

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

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

Statement of compliance

The financial statements of Trenport Investments Limited are prepared in compliance with Financial Reporting Standard 101, "The Reduced Disclosure Framework" ("FRS 101") as issued by the Financial Reporting Council and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and with applicable accounting standards in the United Kingdom under the historical cost convention on the going concern basis. The principal accounting policies, which are set out below, have been applied consistently across the company.

Group accounts

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

Adoption of new and revised standards

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

Going concern

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities. These are set out within the Directors' report.

The company's holding company, Trenport Property Holdings Limited has provided a letter of support and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the signing of the accounts. Accordingly, they continue to adopt the going concern basis in the preparation of the Annual report and financial statements.

Trenport Investments Limited

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

Statement of accounting policies (continued)

Exemptions for qualifying entities under FRS 101

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets, certain related party transactions, and certain disclosure requirements in respect of leases, on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated, being Trenport Property Holdings Limited (note 13).

Investments in subsidiary undertakings

Investments in subsidiary undertakings are included in the company's Statement of financial position at their cost on acquisition. Where appropriate, provision is made for any impairment in their value.

Revenue

Revenue generated, solely in the United Kingdom, comprises two principal components;

Land and buildings sales:

Revenue, which excludes value added tax, represents sales of residential and commercial land and buildings. Revenue is recognised at a point in time, when the sale is completed.

Rental income:

Revenue, which excludes value added tax, represents rent on commercial land and buildings owned by the company and is earned over the term of the lease.

Tangible assets and depreciation

Tangible assets are measured at historical purchase cost less accumulated depreciation and impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided to write down the cost of tangible non-current assets to their estimated residual values by equal annual instalments over their estimated useful working lives.

Regular reviews are carried out to ensure the carrying value is the lower of cost less accumulated depreciation and impairment or the net realisable value. Impairment provisions are booked if required and recognised in the Statement of comprehensive income.

Depreciation on all tangible non-current assets, other than land, has been provided on a straight line basis over the following annual rates as follows:

Plant and equipment	10% - 15% per annum
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Inventories

Land held for development and construction work in progress is valued at the lower of cost and net realisable value. Cost includes appropriate directly attributable overheads. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Inventory values are reviewed regularly to check for potential impairments, and these are expensed to profit or loss when identified.

Trenport Investments Limited

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

Statement of accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the year end date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the year end date. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the year end date that are expected to apply to the reversal of the timing difference.

Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Financial instruments

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

(i) Financial assets

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Trenport Investments Limited

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

Financial instruments (continued)

(ii) Financial assets (continued)

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(iii) Financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Critical judgements in applying the company's accounting policies

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

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

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

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

Valuation of inventory

At any point in time, the company holds significant levels of inventory, including work in progress. Land development is complex with long lead times until a site is ready for sale. Assessments are made over the valuation of the land, either by professional qualified external valuers, or by the parent company's own internal qualified staff to ensure the inventory is correctly stated at the lower of cost and net realisable value. The assessment is based on both current and future development costs, planning considerations, appropriate discount rates and market evidence of transactions for similar properties classed as inventory. The holding value of land at year end is £4,382,000 (2021: £5,142,000).

Trenport Investments Limited

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

1. Employees and directors

The company has no employees other than the directors in both the current and prior year.

None of directors received any emoluments during the period for their services to the company (2021: £Nil).

2. Profit before taxation

	2022	2021
	£'000	£'000
Profit is stated after charging/(crediting):		
Proceeds on the sale development land classed as inventory	(25,517)	(520)
Profit on sale of investments	(592)	-
Rental income	(129)	(87)
Other income	-	(150)
Cost of inventory sold	1,305	255
Audit of the financial statements	14	14
Professional fees	6	131
Management fees	290	300

No non-audit fees noted in the current year (2021: Nil).

3. Tax on profit

	2022	2021
	£'000	£'000
Current tax:		
United Kingdom corporation tax on profit for the year at 19.0% (2021: 19.0%)	4,484	-
Deferred tax:		
Deferred tax	-	-
Total tax charge	4,484	-

The tax assessed for the period is the lower (2021: lower) than the standard rate of corporation tax in the United Kingdom, 19.0% (2021: 19.0%).

	2022	2021
	£'000	£'000
Profit before taxation	32,966	31,170
Profit multiplied by the standard rate of corporation tax in the United Kingdom of 19.0% (2021: 19.0%)	6,263	5,922
Effects of:		
Exempt dividend income	(1,591)	(5,918)
Other non taxable income	(112)	-
Transfer pricing adjustment	(76)	(294)
Group relief claimed for nil consideration	-	290
Total taxation	4,484	-

The company earns its profits primarily in the UK. Therefore, the tax rate used for tax on profit is the standard rate of UK corporation tax of 19.0% (2021: 19.0%).

In the Finance Act 2021 which was enacted on 10 June 2021, the main rate of corporation tax was scheduled to increase with effect from 1 April 2023 from 19% to 25%. However, in the September 2022 Mini Budget, it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and as a result the deferred tax balances as at 30 June 2022 continue to be measured at the hybrid 20.5%/full 25% rate noted above. The estimated impact of the reversal of the corporation tax rate increase would be £nil.

Trenport Investments Limited

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

4. Tangible assets

	Plant & equipment £'000
Cost	
At 30 June 2021 and 30 June 2022	<u>31</u>
Accumulated depreciation	
At 30 June 2021 and 30 June 2022	<u>31</u>
Net book value	
At 30 June 2022	<u>-</u>
At 30 June 2021	<u>-</u>

5. Investment in subsidiaries

	2022 £'000	2021 £'000
Cost and net book value		
Opening balance	35,200	35,200
Disposals	<u>-</u>	<u>-</u>
At 30 June 2022 and 30 June 2021	<u>35,200</u>	<u>35,200</u>

On 29 June 2022, the company sold the following investments at their net asset value to its holding company, Trenport Property Holdings Limited, resulting in a profit of £592,000. The cost and carrying value in the company for these investments was £1 each.

	£'000
Eurolink Management Limited	-
Eurolink 5 Management Limited	-
Europower Networks Limited	333
Pit Properties Limited	-
Ryton Utilities Limited	259
Trenport Teynham General Partner Limited	<u>-</u>
	<u>592</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets. Refer to note 10 for the subsidiaries held by the company.

6. Inventories

	2022 £'000	2021 £'000
Land held for development and resale	<u>4,382</u>	<u>5,142</u>

Trenport Investments Limited

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

7. Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade debtors	32	19
Other debtors and prepayments	9	131
Amounts owed by parent	20,092	4,000
Amounts owed by fellow subsidiaries	938	937
	<u>21,071</u>	<u>5,087</u>

Amounts owed by parent and fellow subsidiaries are unsecured, interest free, have no fixed terms of repayment and are repayable on demand.

8. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	9	9
Amounts owed to fellow subsidiaries	31,146	20,551
Other creditors	10	12
Accruals and deferred income	100	60
Corporation tax	4,484	-
	<u>35,749</u>	<u>20,632</u>

Amounts owed to fellow subsidiaries are unsecured, interest free, have no fixed terms of repayment and are repayable on demand.

9. Called up share capital

	2022 £'000	2021 £'000
Authorised:		
265,156,107 (2021: 265,156,107) ordinary shares of 1p each	2,652	2,652
500,000 (2021: 500,000) deferred shares of £1 each	<u>500</u>	<u>500</u>
Issued and fully paid:		
265,156,107 (2021: 265,156,107) ordinary shares of 1p each	2,652	2,652
500,000 (2021: 500,000) deferred shares of £1 each	<u>500</u>	<u>500</u>
	<u>3,152</u>	<u>3,152</u>

The holders of ordinary shares are entitled to all distributable income. On the return of capital in a winding up or otherwise the surplus assets shall firstly be used to repay the nominal value of ordinary shares and then the nominal value of the deferred shares. Any surplus shall then be payable to the holders of ordinary shares.

The holders of deferred shares have no voting rights other than for the reduction of capital or if the company is to be wound up or sold or if their existing rights or privileges are to be affected.

Trenport Investments Limited

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

10. Subsidiaries

Name (all companies are registered in England and Wales)	Amount and description of shares held	Principal activity	% owned
Trenport (Peters Village) Limited	35,200,000 Ordinary shares of £1 each	Property development	100
Trenport (East Hall Park) Limited	1 Ordinary share of £1 each	Property development	100

The registered office for the subsidiaries is the same as Trenport Investments Limited as set out in the Statement of accounting policies.

The subsidiaries are directly held by Trenport Investments Limited.

11. Leases

The total of future minimum income receivable under the entity's non-cancellable operating leases with tenants for each of the following periods is as follows:

	2022 £'000	2021 £'000
Land and Buildings:		
Not later than one year	34	39
Later than one year and not later than five	25	-
Later than five years	-	-
	<u>59</u>	<u>39</u>

The operating leases relate to the company's land held for development and resale (note 6).

12. Related party transactions

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

13. Ultimate parent undertaking and controlling party

The immediate holding company and smallest group into which the results of the company are consolidated is Trenport Property Holdings Limited, a company registered at 2nd Floor, 14 St George Street, London W1S 1FE.

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