

Company Registration No. 03088814 (England and Wales)

SANTON PROPERTY COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

PAGES FOR FILING WITH REGISTRAR

SANTON PROPERTY COMPANY LIMITED

COMPANY INFORMATION

Directors Santon Close Nominees Limited
Santon Management Limited
R. Patel
B. Sandhu

Secretary R Patel

Company number 03088814

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

Auditors Gerald Edelman
73 Cornhill
London
EC3V 3QQ

SANTON PROPERTY COMPANY LIMITED

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SANTON PROPERTY COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investment properties	5		606,472		450,000
Current assets					
Debtors	6	2,665		34,917	
Cash at bank and in hand		7,409		2,434	
		<u>10,074</u>		<u>37,351</u>	
Creditors: amounts falling due within one year	7	<u>(324,234)</u>		<u>(72,762)</u>	
Net current liabilities			(314,160)		(35,411)
Total assets less current liabilities			292,312		414,589
Provisions for liabilities			<u>(30,322)</u>		<u>(37,004)</u>
Net assets			<u>261,990</u>		<u>377,585</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss reserves			261,988		377,583
Total equity			<u>261,990</u>		<u>377,585</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 27 November 2020 and are signed on its behalf by:

B. Sandhu
Director

Company Registration No. 03088814

SANTON PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

With respect to the recent Covid-19 outbreak, the directors have considered the impact of the pandemic on the entity's operations. Like many businesses, the result of the entity is impacted by the health of the UK economy, with any potential downturn likely to have an impact upon the entity's operations. Having considered this, the directors expect any impact on the entity to be limited to the short-term and therefore do not believe it to pose a significant long-term risk to the business.

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020.

1.3 Turnover

Turnover represents rent receivable net of VAT for the portfolio of properties owned by the company.

Revenue is recognised at the point of invoicing, and by reference to the period it relates and including any costs incurred.

1.4 Tangible fixed assets

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

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

Fixtures and fittings	25% straight line
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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 credited or charged to profit or loss.

SANTON PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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. The surplus or deficit on revaluation is recognised in the income statement.

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1.8 Equity instruments

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

SANTON PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Investment properties

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

3 Employees

There were no employees during the period apart from the directors.

SANTON PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2019 and 31 March 2020	934
Depreciation and impairment	
At 1 April 2019 and 31 March 2020	934
Carrying amount	
At 31 March 2020	-
At 31 March 2019	-

5 Investment property

	2020 £
Fair value	
At 1 April 2019	450,000
Additions	156,472
At 31 March 2020	606,472

Property valuations as at 31 March 2020 remain highly uncertain given the impact of Covid-19 and it is worth noting that the RICS has, subsequent to the year end, added the following material valuation uncertainty clause in relation to all valuations undertaken at that date and we apply it to the property valuations in our books:

"The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. In the UK, market activity is being impacted in all sectors.

As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations are therefore reported on the basis of 'material valuation uncertainty' per the RICS Valuation – Professional Standards. Consequently, less certainty, and a higher degree of caution, should be attached to our valuations than would normally be the case.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuations under frequent review."

We have therefore kept our valuations the same as in prior years noting that the assets will be severely impacted; especially due to the remote location of The Highland Club where The Boathouse Restaurant is heavily reliant on tourism.

SANTON PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Investment property

(Continued)

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

	2020 £	2019 £
Cost	356,472	200,000
Carrying amount	356,472	200,000

6 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	-	6,131
Corporation tax recoverable	-	37
Other debtors	2,665	28,749
	2,665	34,917

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	5,240	19,973
Amounts owed to group undertakings	291,862	42,885
Other creditors	27,132	9,904
	324,234	72,762

8 Called up share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2

SANTON PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Hiten Patel FCCA.
The auditor was Gerald Edelman.

10 Financial commitments, guarantees and contingent liabilities

A third party insurer is claiming circa £125,000 in relation to an insurance claim they have paid out arising from past development activities from over two decades ago. The company believes, firstly, that is not payable by the company and secondly, even if this was the case, it should be covered by company's insurance providers. Any such claim will be strongly defended.

Accordingly, no provision has been made in the financial statements.

11 Operating lease commitments

Lessor

	2020	2019
	£	£
Within one year	52,685	82,685
	<u> </u>	<u> </u>

12 Related party transactions

No guarantees have been given or received.

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

13 Parent company

The company was a wholly owned subsidiary of Santon Capital Plc, a company registered in England & Wales and controlled by B.S. Sandhu.

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