

Company registration number 03364739 (England and Wales)

**SANTON CAPITAL PLC AND SUBSIDIARIES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**



# SANTON CAPITAL PLC AND SUBSIDIARIES

## COMPANY INFORMATION

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<b>Directors</b>	B S Sandhu R Patel
<b>Secretary</b>	R Patel
<b>Senior management</b>	P Sandhu
<b>Company number</b>	03364739
<b>Registered office</b>	Santon House 53/55 Uxbridge Road Ealing London W5 5SA
<b>Auditors</b>	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ
<b>Bankers</b>	HSBC Bank PLC Level 2 8 Canada Square Canary Wharf London E14 5HQ  Barclays Bank PLC Ashton house 497 Silbury Boulevard Milton Keynes MK29 2LD
<b>Solicitors</b>	Linklaters LLP One Silk Street London EC2Y 8HQ  Steptoe & Johnson 99 Gresham Street London EC2V 7NG

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# **SANTON CAPITAL PLC AND SUBSIDIARIES**

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# **SANTON CAPITAL PLC AND SUBSIDIARIES**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present the strategic report for the year ended 31 March 2023.

#### **Fair review of the business**

The Group primary focus has been investment activities; property and non-property, listed and unlisted investments.

The Group's turnover slightly decreased from £1.48 million in the year ended 31 March 2022 to £1.46 million for the year under review. The operating profit increased to £0.04 million from loss of £0.13 and the profit before tax increased to £1.15 million from a loss of £2.46 million largely as a result of a increase in the Group's property valuations in the year. The Spencer and the industrial property in Newton Aycliffe, were valued by external valuers as set out in Note 13.

The Group's total assets decreased from £35.4 million to £33.1 million; Group debt remains same to £7.80 million. Net assets increased from £13.1 million to £13.9 million.

The directors consider the result for the period to be satisfactory given the economic environment.

#### **Principal risks and uncertainties**

The main risks and uncertainties continue to be related to general market conditions.

The "Energy Crisis" following the War in Ukraine has impacted global financial markets and continues to hamper growth in the UK with a rapid rise in UK inflation and a rapid rise in UK interest rates to bring down inflation. Interest rates directly impact profitability of most businesses and therefore will further hamper growth and potentially apply further financial pressure. Although rising interest rates may tame inflation this will weaken the property market. Property sales at The Highland Club may however be impacted by mortgage rates rises.

The labour markets are beginning to show improvements, employment costs however remain high. This impacts the ability to hire staff at The Highland Club. We are hopeful this will balance in the medium term.

The Group will continue to focus on expanding its investment activities in non-property related areas.

#### **Promoting success of the company**

This section serves as our s172 statement and should be read in conjunction with the whole Strategic Report. s172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the company's employees and other stakeholders including the impact of its activities on the community, the environment and the company's reputation when making decisions. The Directors act in good faith and fairly between members and consider what is most likely to promote the success in the long term for all of its members.

Our principal stakeholders are engaged with on a regular basis. The shareholder is an executive of the company.

#### **Key performance indicators**

The management consider profit before tax and net assets as key performance indicators for the Group. Both were considered to be satisfactory.

# **SANTON CAPITAL PLC AND SUBSIDIARIES**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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### **Prospects**

The prospects for the Group will be shaped by the swirling macro-economic, health and geopolitical environment i.e. factors largely outside our control.

The Group is fortunate to have a strong University tenant in our office building in Ealing and welcome Nissan's recent announcement to increase production of electric cars at its Sunderland factory which will benefit our tenant in the industrial property in Newton Aycliffe. The pub sector continues to perform better than might otherwise be expected and post year-end the lease on The Spencer was assigned to a much better covenant improving the asset value.

The Group's operations at The Highland Club continue to be impacted by macro-economic factors, however guest numbers seem to be returning. Although the rise in interest rates has reduced the demand for holiday let property sales, we are hopeful that interest rates have peaked and demand will increase.

The Group as a whole remains highly liquid, both in terms of cash and readily marketable investments, and lowly geared and therefore in a position to take advantage of any opportunities that may arise.

We will continue to look primarily for private equity investments opportunities and opportunistic property investments and developments.

On behalf of the board



**B S Sandhu**

**Director**

29 September 2023

# **SANTON CAPITAL PLC AND SUBSIDIARIES**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their annual report and financial statements for the year ended 31 March 2023.

#### **Directors**

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

B S Sandhu  
R Patel

#### **Results and dividends**

The results for the year are set out on page 8.

During the year dividends of £79,361 (2022: £Nil) were paid. The directors do not recommend a final dividend.

#### **Supplier payment policy**

The Group's operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is the Group's policy that payments to suppliers are made in accordance with those terms provided that suppliers also comply with all relevant terms and conditions.

#### **Political donations**

The Group does not make any political donations and has never done so.

#### **Charitable donations**

During the year, the Group made direct charitable contributions of £42,950 (2022: £296,387).

The Santon Capital plc group provides offices, staff and administrative support to The Sandhu Charitable Foundation without charge. The director B S Sandhu is the founder and Trustee of the Foundation, which is the major conduit for the Sandhu family and Santon Group charitable activities. During the year the Foundation made charitable donations and commitments of £327,000 (2022: £326,500).

#### **Auditors**

The auditor, Gerald Edelman 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.

# **SANTON CAPITAL PLC AND SUBSIDIARIES**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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### **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.

### **Going concern**

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

Having reviewed the group's financial forecasts, expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to meet any liabilities as they fall due. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023.

On behalf of the board



**B. S. Sandhu**

**Director**

29 September 2023

# SANTON CAPITAL PLC AND SUBSIDIARIES

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

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#### Opinion

We have audited the financial statements of Santon Capital Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2023 and of its profit for the year 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.



# SANTON CAPITAL PLC AND SUBSIDIARIES

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES

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#### **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.

Our audit procedures were primarily directed towards testing the accounting systems in operation which we have based our assessment of the financial statements for the year ended 31 March 2023.

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

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

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

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

# **SANTON CAPITAL PLC AND SUBSIDIARIES**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SANTON CAPITAL PLC AND SUBSIDIARIES**

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#### **Audit response to risks identified**

##### ***Fraud due to management override***

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

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

##### ***Irregularities and non-compliance with laws and regulations***

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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



**Hiten Patel FCCA (Senior Statutory Auditor)**

**For and on behalf of Gerald Edelman LLP**

29 September 2023

**Chartered Accountants**

**Statutory Auditor**

73 Cornhill  
London  
EC3V 3QQ

# SANTON CAPITAL PLC AND SUBSIDIARIES

## GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	1,455,727	1,476,116
Cost of sales		(369,183)	(246,330)
<b>Gross profit</b>		<b>1,086,544</b>	<b>1,229,786</b>
Administrative expenses		(963,014)	(1,515,396)
Other operating income		18,787	153,166
Profit/(loss) on disposal of operations		(138,297)	-
<b>Operating profit/(loss)</b>	4	<b>4,020</b>	<b>(132,444)</b>
Interest receivable and similar income	7	757,749	722,785
Interest payable and similar expenses	8	(570,139)	(497,856)
Fair value (losses) on investments	9	(240,749)	(2,548,800)
Fair value gains on investment properties		1,195,000	-
Profit on disposal of subsidiaries		4,789	
<b>Profit/(loss) before taxation</b>		<b>1,150,670</b>	<b>(2,456,315)</b>
Taxation	11	(310,570)	544,248
<b>Profit/(loss) for the financial year</b>		<b>840,100</b>	<b>(1,912,067)</b>

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

# **SANTON CAPITAL PLC AND SUBSIDIARIES**

## **GROUP STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MARCH 2023***

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	840,100	(1,912,067)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>840,100</u>	<u>(1,912,067)</u>

# SANTON CAPITAL PLC AND SUBSIDIARIES

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	12	96,196		22,245	
Investment properties	13	14,666,794		13,527,269	
Investments	14	3,880,622		5,286,304	
		<u>18,643,612</u>		<u>18,835,818</u>	
<b>Current assets</b>					
Stocks	17	1,764,707		1,764,707	
Debtors	19	8,904,578		8,073,407	
Investments	18	426,125		1,252,850	
Cash at bank and in hand		3,364,046		5,449,154	
		<u>14,459,456</u>		<u>16,540,118</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(14,679,498)</u>		<u>(20,625,846)</u>	
<b>Net current liabilities</b>			(220,042)		(4,085,728)
<b>Total assets less current liabilities</b>			<u>18,423,570</u>		<u>14,750,090</u>
<b>Creditors: amounts falling due after more than one year</b>	22		(2,500,000)		-
<b>Provisions for liabilities</b>	23,24		(2,026,932)		(1,614,191)
<b>Net assets</b>			<u>13,896,638</u>		<u>13,135,899</u>
<b>Capital and reserves</b>					
Called up share capital	25	124,002		124,002	
Share premium account		195,053		195,053	
Other reserves		407,684		407,684	
Capital redemption reserve		92,000		92,000	
Profit and loss reserves		13,077,899		12,317,160	
<b>Total equity</b>			<u>13,896,638</u>		<u>13,135,899</u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

  
B S Sandhu  
Director

# SANTON CAPITAL PLC AND SUBSIDIARIES

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Investments	14		4,607,440		5,652,425
<b>Current assets</b>					
Debtors	19	15,721,616		15,825,151	
Investments	18	426,125		1,252,850	
Cash at bank and in hand		3,134,417		4,494,143	
		19,282,158		21,572,144	
<b>Creditors: amounts falling due within one year</b>	20	(4,836,801)		(8,215,880)	
<b>Net current assets</b>			14,445,357		13,356,264
<b>Total assets less current liabilities</b>			19,052,797		19,008,689
<b>Capital and reserves</b>					
Called up share capital	25	124,002		124,002	
Capital redemption reserve		92,000		92,000	
Profit and loss reserves		18,836,795		18,792,687	
<b>Total equity</b>			19,052,797		19,008,689

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 £(123,470) (2022 - £1,715,147 loss).

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

  
B S Sandhu  
Director

Company Registration No. 03364739

## SANTON CAPITAL PLC AND SUBSIDIARIES

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

	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>	124,002	195,053	92,000	407,684	14,229,227	15,047,966
<b>Year ended 31 March 2022:</b>						
Loss and total comprehensive income for the year	-	-	-	-	(1,912,067)	(1,912,067)
<b>Balance at 31 March 2022</b>	124,002	195,053	92,000	407,684	12,317,160	13,135,899
<b>Year ended 31 March 2023:</b>						
Profit and total comprehensive income for the year	-	-	-	-	840,100	840,100
Dividends	-	-	-	-	(79,361)	(79,361)
<b>Balance at 31 March 2023</b>	124,002	195,053	92,000	407,684	13,077,899	13,896,638

# SANTON CAPITAL PLC AND SUBSIDIARIES

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>	124,002	92,000	20,507,834	20,723,836
<b>Year ended 31 March 2022:</b>				
Loss and total comprehensive income for the year	-	-	(1,715,147)	(1,715,147)
<b>Balance at 31 March 2022</b>	124,002	92,000	18,792,687	19,008,689
<b>Year ended 31 March 2023:</b>				
Profit and total comprehensive income for the year	-	-	123,469	123,469
Dividends	-	-	(79,361)	(79,361)
<b>Balance at 31 March 2023</b>	124,002	92,000	18,836,795	19,052,797



# SANTON CAPITAL PLC AND SUBSIDIARIES

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	30		(2,779,347)		5,884,335
Interest paid			(561,900)		(453,667)
Income taxes refunded/(paid)			113,992		(102,000)
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(3,227,255)</b>		<b>5,328,668</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(29,589)		(22,419)	
Investment property additions		(212,269)		(58,622)	
Proceeds on disposal of joint ventures		2		-	
Proceeds on disposal of fixed asset investments		1,405,680		542,206	
Purchase of held to maturity assets		(681,137)		(3,877,340)	
Interest received		664,565		579,921	
Dividends received		103,431		104,058	
Other investment income received		(10,247)		38,806	
<b>Net cash generated from/(used in) investing activities</b>			<b>1,240,436</b>		<b>(2,693,390)</b>
<b>Financing activities</b>					
New bank loans		-		(50,000)	
Dividends paid to equity shareholders		(98,289)		-	
<b>Net cash used in financing activities</b>			<b>(98,289)</b>		<b>(50,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(2,085,108)</b>		<b>2,585,278</b>
Cash and cash equivalents at beginning of year			5,449,154		2,863,876
<b>Cash and cash equivalents at end of year</b>			<b>3,364,046</b>		<b>5,449,154</b>

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Company information

Santon Capital Plc and subsidiaries ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Santon House, 53/55 Uxbridge Road, Ealing, London, W5 5SA.

The group consists of Santon Capital Plc 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 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.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the period was £123,469 (2022 - loss £1,715,147).

##### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Santon Capital Plc and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2023. 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.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.3 Going concern

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

Having reviewed the group's financial forecasts, expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to meet any liabilities as they fall due. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023.

#### 1.4 Turnover

Turnover comprises property management fees which are recognised at the date the service was provided; the sales value of property developments which are recognised upon exchange of contracts; property rents receivable which are recognised when they accrue; and development income where this can be reliably measured at the period end.

#### 1.5 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.

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:

Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line

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 income statement.

#### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Purchases and sales of investment properties are accounted for on exchange of contract, unless the contract is conditional and the condition has not been satisfied at the date financial statements are approved. In such circumstances the purchase or sale is accounted for on completion of contract.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### 1.7 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, associates and jointly controlled entities 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

##### 1.8 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.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1 Accounting policies

(Continued)

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.

#### 1.9 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.

#### 1.10 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.

#### 1.11 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 statement of financial position 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.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### **Impairment of financial assets**

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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, including creditors, bank loans 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.

##### **Derecognition of financial liabilities**

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

#### 1.12 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.

#### 1.13 Taxation

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

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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 group'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 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.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.16 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.

#### **1.17 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.18 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 group's investment properties which are properties held to earn rentals and/or capital appreciation and 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 director's have used their experience of the property market and with reference to evidence of transaction prices of similar properties and rental yields to arrive at an appropriate value at the year end.

### 3 Turnover and other revenue

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

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Rental income	1,246,422	1,142,633
Management fees	209,305	333,483
	<u>1,455,727</u>	<u>1,476,116</u>
	2023	2022
	£	£
<b>Other significant revenue (refer to note 7)</b>		
Interest income	664,565	579,921
Dividends received	103,431	104,058
Grants received	-	143,904
	<u></u>	<u></u>



# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>Turnover analysed by geographical market</b>		
	United Kingdom	1,455,727	1,476,116
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Operating profit/(loss)</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Operating profit/(loss) for the year is stated after charging/(crediting):		
	Exchange losses	221	-
	Government grants	-	(143,904)
	Depreciation of owned tangible fixed assets	13,130	5,440
	Cost of stocks recognised as an expense	325,917	246,250
	Stocks impairment losses recognised or reversed	-	80
	Operating lease charges	-	8,040
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Auditor's remuneration</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	5,000	5,000
	Audit of the financial statements of the company's subsidiaries	29,000	24,000
		<u>          </u>	<u>          </u>
		34,000	29,000
		<u>          </u>	<u>          </u>
	<b>For other services</b>		
	Taxation compliance services	9,000	9,000
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Employees</b>		
	The average monthly number of persons (including directors) employed by the group and company during the year was:		
		<b>2023</b>	<b>2022</b>
		<b>Number</b>	<b>Number</b>
	Administrative staff	17	18
		<u>          </u>	<u>          </u>

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	527,347	503,467
Social security costs	42,673	44,898
Pension costs	81,893	83,743
	<u>651,913</u>	<u>632,108</u>

Directors' remuneration of £nil (2022: £65,000) was paid from a subsidiary entity to a director of the subsidiary who is also a director of the company. See note 26 for disclosure of key management personnel remuneration in the subsidiaries, who are also directors of the subsidiary entities.

### 7 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	62,388	1,302
Other interest income	602,177	578,619
	<u>664,565</u>	<u>579,921</u>
<b>Total interest revenue</b>		
	664,565	579,921
<b>Other income from investments</b>		
Dividends received	84,503	104,058
	<u>749,068</u>	<u>683,979</u>
<b>Total income excluding fixed asset investments</b>		
	749,068	683,979
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	18,928	-
Income from other fixed asset investments	(10,247)	38,806
	<u>757,749</u>	<u>722,785</u>
<b>Total income</b>		
	757,749	722,785

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	62,388	1,302
Dividends from financial assets measured at fair value through profit or loss	84,503	104,058
	<u>146,891</u>	<u>105,360</u>

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 8 Interest payable and similar expenses

	2023 £	2022 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	125,086	72,065
Interest on loan notes	33,414	42,140
Other interest on financial liabilities	403,400	339,462
	<u>561,900</u>	<u>453,667</u>
<b>Other finance costs:</b>		
Finance costs for financial instruments measured at fair value through profit or loss	8,239	44,189
Total finance costs	<u>570,139</u>	<u>497,856</u>

### 9 Amounts written off investments

	2023 £	2022 £
<b>Fair value gains/(losses) on financial instruments</b>		
Amounts written off fair value through income statement	(298,215)	(2,836,721)
<b>Other gains/(losses)</b>		
Gain on disposal of financial assets held at fair value	57,466	287,921
	<u>(240,749)</u>	<u>(2,548,800)</u>

### 10 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Interim paid	79,361	-

### 11 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	17,481	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	293,089	(544,248)
Total tax charge/(credit)	<u>310,570</u>	<u>(544,248)</u>

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 11 Taxation

(Continued)

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

	2023 £	2022 £
Profit/(loss) before taxation	1,150,670	(2,456,315)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	218,627	(466,700)
Tax effect of expenses that are not deductible in determining taxable profit	58,391	2,380
Tax effect of income not taxable in determining taxable profit	(57,927)	(27,144)
Tax effect of utilisation of tax losses not previously recognised	(8,071)	(1,355)
Unutilised tax losses carried forward	-	(3,147)
Group relief	(9,436)	53,051
Permanent capital allowances in excess of depreciation	(13,714)	(41,357)
Effect of revaluations of investments	(170,389)	484,272
Deferred tax	293,089	(544,248)
Tax expense for the year	310,570	(544,248)

#### 12 Tangible fixed assets

Group	Fixtures, fittings & equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2022	117,662	69,460	187,122
Additions	21,460	8,129	29,589
Disposals	(86,728)	(57,477)	(144,205)
Transfers	58,622	-	58,622
At 31 March 2023	111,016	20,112	131,128
<b>Depreciation and impairment</b>			
At 1 April 2022	102,598	62,279	164,877
Depreciation charged in the year	8,715	4,415	13,130
Eliminated in respect of disposals	(86,728)	(56,347)	(143,075)
At 31 March 2023	24,585	10,347	34,932
<b>Carrying amount</b>			
At 31 March 2023	86,431	9,765	96,196
At 31 March 2022	15,064	7,181	22,245

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 13 Investment property

	Group 2023 £	Company 2023 £
<b>Fair value</b>		
At 1 April 2022	13,318,147	-
Additions	212,269	-
Transfers from freehold land and buildings	(58,622)	-
Net gains through fair value adjustments	1,195,000	-
	<u>14,666,794</u>	<u>-</u>
At 31 March 2023	14,666,794	-

Investment properties comprise of freehold land buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

During the year two of the Group's properties, Industrial property in Newton Aycliffe and The Spencer Arms, were valued on 16 November 2022 and 18 November 2022 respectively by an external valuer, Colliers International Property Consultants Limited. The valuations were in accordance with the requirements of the current RICS Valuation. The valuation of the properties were on the basis of fair value. The external valuation of the properties were on the basis of fair value. The fair value reported, as at 31 March 2023 on externally reported was £6,345,000 which resulted in a net gain of £1,195,000.

#### 14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	726,818	366,121
Investments in joint ventures		-	2	-	2
Listed investments		1,756,023	2,298,727	1,756,023	2,298,727
Unlisted investments		2,124,599	2,987,575	2,124,599	2,987,575
		<u>3,880,622</u>	<u>5,286,304</u>	<u>4,607,440</u>	<u>5,652,425</u>

The group and company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

The fair values of the listed investment financial assets with standard terms and conditions are traded on active liquid markets are determined with reference to quoted market prices.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 14 Fixed asset investments

(Continued)

##### Movements in fixed asset investments Group

Shares  
£

##### Cost or valuation

At 31 March 2022

5,386,304

Additions

681,137

Valuation changes

(288,265)

Disposals

(1,798,552)

At 31 March 2023

3,980,624

##### Impairment

At 1 April 2022 & 31 March 2023

100,000

##### Carrying amount

At 31 March 2023

3,880,624

At 31 March 2022

5,286,304

##### Movements in fixed asset investments Company

Shares  
£

##### Cost or valuation

At 31 March 2022

6,811,421

Additions

1,181,135

Valuation changes

(288,265)

Disposals

(1,798,662)

At 31 March 2023

5,905,629

##### Impairment

At 31 March 2022

1,158,996

Impairment losses

139,193

At 31 March 2023

1,298,189

##### Carrying amount

At 31 March 2023

4,607,440

At 31 March 2022

5,652,425

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 15 Subsidiaries

(Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Santon Pubco Limited	England & Wales	Property investment	Ordinary	100.00	-
Highland Club Management Company Limited	England & Wales	Dormant entity	Ordinary	-	100.00
Santon Commerical Properties Limited	Scotland	Dormant entity	Ordinary	100.00	-
Santon Developments Limited	England & Wales	Manangement company	Ordinary	100.00	-
Santon Group Developments Limited	Scotland	Property development	Ordinary	100.00	-
Santon Highlands Limited	Scotland	Property development and investment	Ordinary	-	100.00
Santon Homes Limited	Scotland	Dormant entity	Ordinary	100.00	-
Santon Industrial Properties Limited	England & Wales	Property investment	Ordinary	100.00	-
Santon Management Limited	England & Wales	Mangement company	Ordinary	100.00	-
Santon Commercial Propco Limited	England & Wales	Property investment	Ordinary	100.00	-
Santon Loch Ness Limited	England & Wales	Property Investment	Ordinary	100.00	-

### 16 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	7,430,054	6,607,875	14,332,767	14,441,962
Equity instruments measured at cost less impairment	3,880,622	5,286,302	3,880,622	5,286,302
Instruments measured at fair value through profit or loss	426,125	1,252,850	426,125	1,252,850
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	17,038,958	20,533,962	4,829,514	8,213,860

### 17 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Development properties	1,764,707	1,764,707	-	-

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 18 Current asset investments

	Group 2023 £	2022 £	Company 2023 £	2022 £
Unlisted investments	426,125	1,252,850	426,125	1,252,850

### 19 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Amounts falling due within one year:</b>				
Trade debtors	22,518	3,749	-	-
Corporation tax recoverable	43	43	-	-
Amounts due from group undertakings	-	-	7,670,979	8,645,152
Other debtors	7,272,790	6,611,377	6,661,788	5,796,810
Prepayments and accrued income	220,378	75,048	-	-
	<u>7,515,729</u>	<u>6,690,217</u>	<u>14,332,767</u>	<u>14,441,962</u>
<b>Amounts falling due after one year:</b>				
Deferred tax asset (note 24)	1,388,849	1,383,189	1,388,849	1,383,189
	<u>8,904,578</u>	<u>8,073,406</u>	<u>15,721,616</u>	<u>15,825,151</u>

Other debtors include loan receivable within one year of £435,000 (2022: £631,500). The amount is valued at amortised fair value. The loans are subject to interest and are repayable within 1 year, unless new repayment terms are agreed. The loans provided are secured by the Scottish law standard security in favour of the company in respect of the properties and floating charge over the assets of the company.

### 20 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loan	21	-	2,500,000	-	-
Other loan	21	5,300,000	5,300,000	-	-
Trade creditors		65,177	157,256	-	-
Amounts due to group undertakings		-	-	1,352,002	1,278,325
Corporation tax payable		17,673	192	192	192
Other taxation and social security		122,867	91,692	7,095	1,828
Other creditors		3,093,638	6,601,339	3,083,672	6,585,933
Accruals and deferred income		6,080,143	5,975,367	393,840	349,602
		<u>14,679,498</u>	<u>20,625,846</u>	<u>4,836,801</u>	<u>8,215,880</u>



# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 21 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loan	2,500,000	2,500,000	-	-
Other loan	5,300,000	5,300,000	-	-
	<u>7,800,000</u>	<u>7,800,000</u>	<u>-</u>	<u>-</u>
Payable within one year	5,300,000	7,800,000	-	-
Payable after one year	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Bank loan totalling £2,500,000 (2022: £2,500,000) is secured by fixed and floating charge over some of the group's assets and by first charges over the group's investment properties.

Other loan payable within one year include a loan of £5,300,000 (2022: £5,300,000). No interest was charged on the loan given the financial situation of the subsidiary company. This was agreed with the lender. The loan is secured by standard security on the company's development property and by a bond and floating charge over the company's assets.

### 22 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loan	21	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank loan is secured by a fixed and floating charge over some of the group's assets and first charge over the group's properties.

### 23 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>81,893</u>	<u>83,743</u>

A defined contribution pension scheme is operated for all qualifying employees. The company contributes towards the individuals personal pension plan.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 24 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
<b>Group</b>				
Revaluations	2,026,932	1,614,191	-	-
Investments	-	-	1,388,849	1,383,189
	<u>2,026,932</u>	<u>1,614,191</u>	<u>1,388,849</u>	<u>1,383,189</u>
	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
<b>Company</b>				
Investments	-	-	1,388,849	1,383,189
	<u>-</u>	<u>-</u>	<u>1,388,849</u>	<u>1,383,189</u>
			<b>Group 2023 £</b>	<b>Company 2023 £</b>
<b>Movements in the year:</b>				
Liability/(asset) at 1 April 2022			231,002	(1,383,189)
Charge/(credit) to income statement			293,088	(5,660)
			<u>524,090</u>	<u>(1,388,849)</u>
Liability/(asset) at 31 March 2023				

#### 25 Share capital

	Group and company 2023 £	2022 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
248,004 Ordinary shares of 50p each	<u>124,002</u>	<u>124,002</u>

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 26 Operating lease commitments

##### Lessor

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Within one year	891,497	914,597	-	-
Between two and five years	3,606,057	3,627,206	-	-
In over five years	977,768	1,748,664	-	-
	<u>5,475,322</u>	<u>6,290,467</u>	<u>-</u>	<u>-</u>

#### 27 Related party transactions

##### Remuneration of key management personnel

In the current year there was remuneration in respect of key management personnel in the parent company. In the last year there was key management personnel remuneration in the subsidiaries, who are also directors of the subsidiary entities, is as follows;

	2023	2022
	£	£
Aggregate compensation	<u>78,000</u>	<u>131,000</u>

a) Included in other debtors are amounts of £3,567,000 (2022: £3,567,000) due from B&P Investments Limited, a company which B. S. Sandhu is a director and shareholder. Interest of £263,775 (2022: £247,040) was payable by the company in respect of this loan.

b) Fixed assets investments include disposal of 3,414,806 shares in Blok London, which were purchased by B. S. Sandhu at a market value of £1,330,747.

c) The Santon Capital plc group provides offices, staff and administrative support to The Sandhu Charitable Foundation without charge. The director B. S. Sandhu is the founder and Trustee of the Foundation, which is the major conduit for the Sandhu family and Santon Group charitable activities.

d) During the year an interest free loan of £Nil (2022: £300,000) was made to The Sandhu Charitable Foundation.

#### 28 Directors' transactions

Included in other creditors are amounts of £2,658,672 (2022: £6,170,933) due to B Sandhu, who is a director and shareholder of the company. During the year amounts of £1,076,686 were advanced and £4,588,947 repaid. Interest of £403,400 (2022: £339,462) was incurred by the company in respect of these balances.

#### 29 Controlling party

At 31 March 2023 the company was controlled by B.S. Sandhu.

# SANTON CAPITAL PLC AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 30 Cash generated from group operations

	2023 £	2022 £
Profit/(loss) for the year after tax	840,100	(1,912,067)
Adjustments for:		
Taxation charged/(credited)	310,570	(544,248)
Finance costs	570,139	497,856
Investment income	(757,749)	(722,785)
Loss on disposal of subsidiaries	133,508	-
Fair value gains and losses on investment properties	(1,195,000)	-
Depreciation and impairment of tangible fixed assets	13,130	5,440
Fair value losses/(gains) on investments	240,749	2,548,800
(Decrease) in provisions	-	(25,000)
Movements in working capital:		
(Increase) in debtors	(825,511)	(236,654)
(Decrease)/increase in creditors	(2,109,283)	6,272,993
<b>Cash (absorbed by)/generated from operations</b>	<b>(2,779,347)</b>	<b>5,884,335</b>