

POWIS STREET ESTATES (NO.3) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

POWIS STREET ESTATES (NO.3) LIMITED

COMPANY INFORMATION

DIRECTORS

Mark Pears CBE
Sir Trevor Pears CMG
David Pears
Frank Khalastchi
Peter Khalastchi
Anthony Khalastchi
Alexander Bamett
Steven Matthey
David Matthey
WPG Registrars Limited

COMPANY SECRETARY

William Bennett

REGISTERED NUMBER

5806876

REGISTERED OFFICE

Ground Floor
30 City Road
London EC1Y 2AB

INDEPENDENT AUDITORS

Arram Berlyn Gardner LLP
Chartered Accountants & Statutory Auditor
Ground Floor
30 City Road
London
EC1Y 2AB

POWIS STREET ESTATES (NO.3) LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 17

POWIS STREET ESTATES (NO.3) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

The directors present their report and the financial statements for the year ended 30 April 2021.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

PRINCIPAL ACTIVITY

The principal activity of the company is property investment.

DIRECTORS

The directors who served during the year were:

Mark Pears CBE
Sir Trevor Pears CMG
David Pears
Frank Khalastchi
Peter Khalastchi
Anthony Khalastchi
Alexander Barnett
Steven Matthey
David Matthey
WPG Registrars Limited

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POWIS STREET ESTATES (NO.3) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021**

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

William Bennett
Secretary

Date: 17 January 2022

POWIS STREET ESTATES (NO.3) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POWIS STREET ESTATES (NO.3) LIMITED

OPINION

We have audited the financial statements of Powis Street Estates (No.3) Limited (the 'Company') for the year ended 30 April 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POWIS STREET ESTATES (NO.3) LIMITED (CONTINUED)

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

AUDITORS' 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 Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POWIS STREET ESTATES (NO.3) LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the property sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including, but not limited to, the Companies Act 2006, and taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- understanding the business model as part of the control and business environment;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations and;
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Through these procedures, we did not identify any material actual or suspected incidents of fraud.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence and enquiring with the company of actual and potential non-compliance with laws and regulations; and
- reading the minutes of meetings of those charged with governance.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POWIS STREET ESTATES (NO.3) LIMITED (CONTINUED)

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

Ian Hughes ACA (Senior statutory auditor)

for and on behalf of

Arram Berlyn Gardner LLP

Chartered Accountants

Statutory Auditor

Ground Floor

30 City Road

London

EC1Y 2AB

24 January 2022

POWIS STREET ESTATES (NO.3) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2021**

	Note	2021 £	2020 £
Turnover	3	966,806	1,159,836
Cost of sales		<u>(687,013)</u>	<u>(603,790)</u>
GROSS PROFIT		279,793	556,046
Administrative expenses		(31,178)	(30,443)
Other operating income	4	5,070	6,225
Profit on sale on investment property	5	49,427	-
Fair value movements		<u>13,003,811</u>	<u>(169,045)</u>
OPERATING PROFIT		13,306,923	362,783
Interest receivable and similar income		317	7,169
Interest payable and similar expenses	8	<u>(303,413)</u>	<u>(329,609)</u>
PROFIT BEFORE TAX		13,003,827	40,343
Tax on profit	9	<u>(2,368,386)</u>	<u>21,344</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>10,635,441</u></u>	<u><u>61,687</u></u>
 TOTAL COMPREHENSIVE INCOME FOR THE YEAR		 <u><u>10,635,441</u></u>	 <u><u>61,687</u></u>

The notes on pages 10 to 17 form part of these financial statements.

POWIS STREET ESTATES (NO.3) LIMITED
REGISTERED NUMBER: 5806876

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investment property	10	41,460,000	28,720,000
		<u>41,460,000</u>	<u>28,720,000</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	4,389,535	4,210,015
Cash at bank and in hand		1,233,822	901,850
		<u>5,623,357</u>	<u>5,111,865</u>
Creditors: amounts falling due within one year	12	(12,962,505)	(598,590)
NET CURRENT (LIABILITIES)/ASSETS		<u>(7,339,148)</u>	<u>4,513,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>34,120,852</u>	<u>33,233,275</u>
Creditors: amounts falling due after more than one year	13	-	(9,955,313)
PROVISIONS FOR LIABILITIES			
Deferred tax	15	(815,665)	(608,216)
		<u>(815,665)</u>	<u>(608,216)</u>
NET ASSETS		<u><u>33,305,187</u></u>	<u><u>22,669,746</u></u>
CAPITAL AND RESERVES			
Called up share capital		1,000	1,000
Investment property revaluation reserve		27,403,585	14,800,685
Profit and loss account		5,900,602	7,868,061
		<u><u>33,305,187</u></u>	<u><u>22,669,746</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mark Pears CBE
Director
Alexander Barnett
Director
Date: 17 January 2022

Anthony Khalastchi
Director

The notes on pages 10 to 17 form part of these financial statements.

POWIS STREET ESTATES (NO.3) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021**

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2020	1,000	14,800,685	7,868,061	22,669,746
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	10,635,441	10,635,441
Revaluation realised	-	(200,550)	200,550	-
Deferred tax movements	-	(207,449)	207,449	-
Transfer revaluation during the year	-	13,010,899	(13,010,899)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>12,602,900</u>	<u>(1,967,459)</u>	<u>10,635,441</u>
AT 30 APRIL 2021	<u><u>1,000</u></u>	<u><u>27,403,585</u></u>	<u><u>5,900,602</u></u>	<u><u>33,305,187</u></u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2019	1,000	14,891,677	7,715,382	22,608,059
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	61,687	61,687
Deferred tax movements	-	21,344	(21,344)	-
Transfer revaluation during the year	-	(112,336)	112,336	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>(90,992)</u>	<u>152,679</u>	<u>61,687</u>
AT 30 APRIL 2020	<u><u>1,000</u></u>	<u><u>14,800,685</u></u>	<u><u>7,868,061</u></u>	<u><u>22,669,746</u></u>

The notes on pages 10 to 17 form part of these financial statements.

POWIS STREET ESTATES (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. GENERAL INFORMATION

Powis Street Estates (No.3) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ground Floor, 30 City Road, London, EC1Y 2AB. The principal place of business is Haskell House, 152 West End Lane, London, NW6 1SD.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 other than where additional disclosure is required to show a true and fair view.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The company's functional and presentational currency is GBP and rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The financial statements have been prepared on a going concern basis even though the company has net liabilities of £7,339,148 (2020 - net assets). The validity of the going concern concept is dependent on the continuing support from creditors. The directors believe that the going concern concept is applicable as the company will be able to meet its debts as and when they fall due, as they are confident that the principal creditors will continue to provide support as required for a period of at least 12 months from the date of approval of the financial statements.

2.3 REVENUE

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the rents receivable.

2.4 PROPERTY TRANSACTIONS

Purchases and sales of properties are included on the basis of completions occurring during the year.

2.5 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

POWIS STREET ESTATES (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.7 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.9 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.10 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.12 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

POWIS STREET ESTATES (NO.3) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

3. TURNOVER

An analysis of turnover by class of business is as follows:

	2021	2020
	£	£
Rent receivable and sundry income	966,806	1,159,836
	<u>966,806</u>	<u>1,159,836</u>

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Commissions receivable	5,070	6,225
	<u>5,070</u>	<u>6,225</u>

5. PROFIT ON SALE OF INVESTMENT PROPERTIES

	2021	2020
	£	£
Net sale proceeds on property sales	399,427	-
Historic cost on property sales	(149,450)	-
Revaluations realised on property sales	(200,550)	-
	<u>49,427</u>	<u>-</u>

6. AUDITORS' REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £5,253 (2020 - £4,508).

7. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2021	2020
	No.	No.
Directors	<u>9</u>	<u>9</u>

POWIS STREET ESTATES (NO.3) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest payable	303,413	329,609
	<u>303,413</u>	<u>329,609</u>

Included in bank interest payable is £33,515 (2020 - £30,366) of loan issue costs amortised in the period.

9. TAXATION

	2021	2020
	£	£
CORPORATION TAX		
Current tax on profits for the year	2,160,937	-
DEFERRED TAX		
Origination and reversal of timing differences	207,449	(21,344)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>2,368,386</u>	<u>(21,344)</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2020 -lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£	£
Profit on ordinary activities before tax	<u>13,003,827</u>	<u>40,343</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%)	2,470,727	7,665
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	21,344
Capital allowances for year in excess of depreciation	(28,265)	(32,378)
Utilisation of tax losses	(60,781)	-
Other timing differences leading to an increase (decrease) in taxation	207,449	(21,344)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(2,476,125)	-
Capital gains	2,267,114	-
Unrelieved tax losses carried forward	-	2,686
Group relief	(11,733)	683
TOTAL TAX CHARGE/(CREDIT) FOR THE YEAR	<u>2,368,386</u>	<u>(21,344)</u>

POWIS STREET ESTATES (NO.3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

9. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

10. INVESTMENT PROPERTY

	Freehold investment property £	Long term leasehold investment property £	Total £
VALUATION			
At 1 May 2020	28,670,000	50,000	28,720,000
Additions at cost	79,101	-	79,101
Disposals	(350,000)	-	(350,000)
Surplus on revaluation	13,010,899	-	13,010,899
AT 30 APRIL 2021	41,410,000	50,000	41,460,000

The 2021 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2021 £	2020 £
Historic cost	13,240,750	13,311,099

11. DEBTORS

	2021 £	2020 £
Amounts owed by group undertakings	3,970,002	3,918,558
Other debtors	106,053	137,954
Prepayments and accrued income	313,480	153,503
	4,389,535	4,210,015

POWIS STREET ESTATES (NO.3) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans	9,988,828	-
Amounts owed to group undertakings	289,001	293,787
Corporation tax	2,160,937	-
Other taxation and social security	136,285	47,003
Other creditors	163,894	100,483
Accruals and deferred income	216,472	157,317
Financial instruments	7,088	-
	<u>12,962,505</u>	<u>598,590</u>

Bank loans are secured by a fixed and floating charge over the company's assets.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans	-	9,955,313
	<u>-</u>	<u>9,955,313</u>

Bank loans are secured by a fixed and floating charge over the company's assets.

14. LOANS

Analysis of the maturity of loans is given below:

	2021	2020
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	9,988,828	-
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	-	9,955,313
	<u>9,988,828</u>	<u>9,955,313</u>

Bank loans are secured by a fixed and floating charge over the company's assets.

POWIS STREET ESTATES (NO.3) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

15. DEFERRED TAXATION

	2021 £	2020 £
At beginning of year	(608,216)	(629,560)
(Charged)/Credited to profit or loss	(207,449)	21,344
AT END OF YEAR	<u>(815,665)</u>	<u>(608,216)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Revaluation of investment properties	(815,665)	(608,216)
Total	<u>(815,665)</u>	<u>(608,216)</u>

16. RELATED PARTY TRANSACTIONS

The company has taken the exemption under FRS102 Section 1A, paragraph 1 AC.35 not to disclose related party transactions in wholly owned groups.

The directors were related parties during the year due to their interests and directorships. The financial statements include an accountancy fee of £25,501 (2020 - £25,498) payable to The William Pears Group Limited, a company in which Mark Pears CBE, Sir Trevor Pears CMG and David Pears have an interest.

17. CONTROLLING PARTY

The immediate parent company is Powis Street Estates (No.2) Limited. The ultimate parent company is Powis Street Estates Limited. Both companies are incorporated in England. The registered office is Ground Floor, 30 City Road, London, EC1Y 2AB.

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.