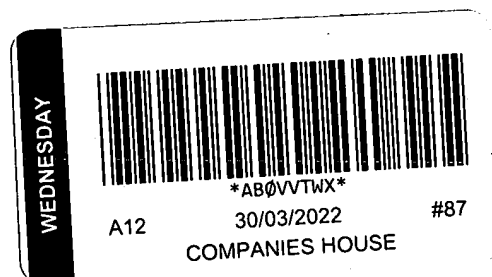


Registered No. 06338850

**NESTWARE PROPERTIES LIMITED (FORMERLY
CARPETRIGHT (TORQUAY) LIMITED)**

Financial Statements

For the 18-month period ended 31 October 2020



NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

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NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Company Information

Directors

Patrick Stirling-Howe
Wilfred Thomas Walsh

Registered office

Nestware House
Purfleet Bypass
Purfleet
Essex
RM19 1TT

Independent auditor

Mazars LLP
Chartered Accountant and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Report of the Directors for the 18-month period ended 31 October 2020

The Directors present their report and the audited financial statements of Nestware Properties Limited for the 18-month period ended 31 October 2020. On 18 November 2020, the company changed its name from Carpetright (Torquay) Limited to Nestware Properties Limited.

On 30 October 2020 the company purchased freehold and long leasehold property from Carpetright Limited and Melford Commercial Properties Limited, at market value. More information can be found in note 7 of the financial statements.

A separate Strategic Report has not been prepared as the Company is entitled to the small companies' exemption under Part 15 of section 414B of the Companies Act 2006.

These financial statements have been prepared under Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) which is discussed in further detail in Note 2 of the financial statements.

Results and dividends

The Directors are satisfied with the results for the period. The loss before taxation amounted to £577,000 (2019: loss before taxation of £511,000) and is set out on page 9 of the financial statements. The net liabilities at the period end are £3,028,000 (2019 restated net assets: £37,000). The directors do not recommend the payment of a dividend during the period (2019: £nil).

Future developments

The Company will continue as that of a property investment company. Its primary rental income is from Carpetright Limited a fellow group undertaking. The company is actively looking to expand its property portfolio and since the period end has acquired three additional freehold properties.

Going concern

The Company meets its day-to-day working capital requirements through the rental income it receives, from Carpetright Limited. The rental income is sufficient to cover the company's day to day costs. The company has an interest free loan, repayable on demand, from its parent company - Nestware Holdings Limited. The Directors of Nestware Holdings Limited have confirmed that they will not call on the loan within the next 12 months from the date of approving these accounts.

The Directors are satisfied that the company is a going concern. However, as the rental income and cashflows are dependent on the going concern of Carpetright Limited, the Directors have sought assurances from the Directors of Carpetright Limited, who have prepared cash flow forecasts to December 2024. These projections are sensitive to changes in the underlying assumptions, the main two being revenue and margin of Carpetright Limited. These forecasts indicate Carpetright Limited has enough resources to settle its liabilities to the Company as they fall due for a period of at least 12-month from the date of approving these financial statements.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Report of the Directors (continued) For the 18-month period ended 31 October 2020

The Directors are closely monitoring the unfolding events in Ukraine in reference to any potential impact on the parent company's trading position. They note that the parent company does not have any trading relationships directly or indirectly with the Ukraine or Russia. This being the case the Directors do not see the conflict having a material impact on going concern at the time of approval of the financial statements.

Based on this the Directors continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Carpetright Limited and are not managed separately. The principal risks and uncertainties of Carpetright Limited, which include those of the Company are detailed in the financial statements of that entity. The key risks faced by the Company can be summarised as:

- i) **Economic uncertainty** – This represents consumer confidence and the general movement in the housing market. An adverse movement would adversely impact the parent entity profitability and long-term growth.
- ii) **Financial risks and liquidity** – the Company is dependent on the solvency and liquidity of the other group undertakings and specifically Carpetright Limited, its only tenant in the period and a fellow group company. Carpetright Limited manages these risks by having access to group facilities and active management of the cashflows and financial position.
- iii) **Competition** – key group entities compete with a wide variety of retailers across multiple channels and price points. This is mitigated by continuous monitoring of customer services, product and advertising performance against competitor activity.
- iv) **Covid-19** – The impact of the pandemic on the key group companies has a knock-on effect on the company. The Group and in particular Carpetright Limited, as a result of government legislation, and as a non-essential retailer, was required to temporarily cease trading. The impact was mitigated by utilising new ways of working –to facilitate working from home or remotely and the use of government furlough grant.

Key performance indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance, or position of the business.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Report of the Directors (continued) For the 18-month period ended 31 October 2020

Directors

The following Directors served during the period and up to the date of signing the financial statements:

- Patrick Stirling-Howe (appointed on 1 June 2020)
- Wilfred Walsh (appointed on 15 September 2020)
- Jeremy Sampson (resigned on 15 September 2020)
- Jeremy Simpson (resigned on 1 June 2020)

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Report of the Directors (continued) For the 18-month period ended 31 October 2020

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

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

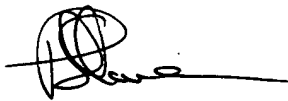
Independent auditors

Mazars LLP were appointed the Company's Auditors in May 2020 for the 18-month period ended 31 October 2020.

Small company exemption

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of The Companies Act 2006.

This report was approved by the board on 18 March 2022 and signed on its behalf by:



Patrick Stirling-Howe
Director

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Independent auditor's report to the members of Nestware Properties Limited (Formerly Carpetright (Torquay) Limited)

Opinion

We have audited the financial statements of Nestware Properties Limited (the 'company') for the 18-month period ended 31 October 2020 which comprise the income statement, balance sheet, statement of changes in equity 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 101 "Reduced Disclosure Framework" (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 31 October 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Independent auditor's report to the members of Nestware Properties Limited (Formerly Carpetright (Torquay) Limited)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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' exemption 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 4, 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.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Independent auditor's report to the members of Nestware Properties Limited (Formerly Carpetright (Torquay) Limited)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit 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.



Richard Karmel (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountant and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 18 March 2022

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Income Statement

For the 18-month period ended 31 October 2020

	Note	18-month period ended 31 October 2020 £'000	Year ended 30 April 2019 £'000
Turnover	3	<u>438</u>	<u>300</u>
Gross profit		438	300
Administrative expenses		(55)	(43)
Impairment of investment property	4	<u>(960)</u>	<u>(768)</u>
Operating loss before taxation		(577)	(511)
Taxation	6	<u>(2,488)</u>	<u>-</u>
Loss for the financial period		<u>(3,065)</u>	<u>(511)</u>

The above losses relate to the continuing operations of the Company.

There is no other comprehensive income or expense other than that included in the loss above for the current or prior years, and therefore no separate statement of comprehensive income has been presented.

The notes on pages 12 to 20 are an integral part of these financial statements.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

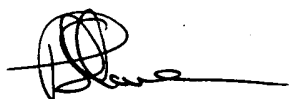
Balance Sheet

as at 31 October 2020

Registered No. 06338850

		31 October 2020	30 April 2019
	Note	£'000	£'000
Fixed assets			
Investment property	7	<u>12,919</u>	<u>2,249</u>
		<u>12,919</u>	<u>2,249</u>
Creditors: amounts falling due within one year	8	<u>(12,728)</u>	<u>(1,481)</u>
Net current liabilities		<u>(12,728)</u>	<u>(1,481)</u>
Total assets less current liabilities		<u>191</u>	<u>768</u>
Creditors: amounts falling due after more than one year		-	-
Deferred tax liabilities	9	<u>(3,219)</u>	<u>(731)</u>
Net (Liabilities)/Assets		<u><u>(3,028)</u></u>	<u><u>37</u></u>
Equity			
Called up share capital	10	-	-
Retained earnings		<u>(3,028)</u>	<u>37</u>
Total shareholders' (deficit)/funds		<u><u>(3,028)</u></u>	<u><u>37</u></u>

The financial statements on pages 9 to 20 were authorised for issue by the Board of Directors on 18 March 2022 and were signed on its behalf by:



Patrick Stirling-Howe
Director

The notes on pages 12 to 20 are an integral part of these financial statements.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Statement of Changes in Equity For the 18-month period ended 31 October 2020

	Called up Share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance as previously stated at 1 May 2018	-	1,279	1,279
Prior year adjustment (Note 13)		(731)	(731)
Balance as at 1 May 2018 (restated)	-	548	548
Loss for the financial year	-	(511)	(511)
Total comprehensive expense for the financial year	-	(511)	(511)
Balance as at 30 April 2019	-	37	37
Loss for the financial period	-	(3,065)	(3,065)
Total comprehensive expense for the financial period	-	(3,065)	(3,065)
Balance as at 31 October 2020	-	(3,028)	(3,028)

The notes on pages 12 to 20 are an integral part of these financial statements.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statement

For the 18-month period ended 31 October 2020

1. General information

The principal activity of Nestware Properties Limited (formerly Carpetright (Torquay) Limited) in the period under review was that of a property investment company. The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Nestware House, Purfleet Bypass, Purfleet, Essex, RM19 1TT.

2. Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of Nestware Properties Limited (formerly Carpetright (Torquay) Limited) have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are set out on page 15.

The disclosure exemptions adopted by the Company in accordance with FRS 101 paragraph 8 are as follows:

- Cash flow statement
- Related party transactions between ultimate parent and wholly owned subsidiaries, and
- Disclosures of new accounting standards and interpretations not yet adopted

Going concern

The Company meets its day-to-day working capital requirements through the rental income it receives from Carpetright Limited, a fellow group undertaking. The rental income is sufficient to cover the company's day to day costs. The company has an interest free loan, repayable on demand, from its parent company - Nestware Holdings Limited. The Directors of Nestware Holdings Limited have confirmed that they will not call on the loan within the next 12 months from the date of approving these accounts.

The Directors are satisfied that the company is a going concern. However, as the rental income and cashflows are dependent on the going concern of Carpetright Limited, the Directors have sought assurances from the Directors of Carpetright Limited, who have prepared cash flow forecasts to December 2024. These projections are sensitive to changes in the underlying assumptions, the main two being revenue and margin of Carpetright Limited.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statements (continued)

For the 18-month period ended 31 October 2020

2. Principal accounting policies (continued)

Going concern (continued)

These forecasts indicate Carpetright Limited has enough resources to settle its liabilities to the Company as they fall due for a period of at least 12-month from the date of approving these financial statements.

Based on this the Directors continue to adopt the going concern basis in preparing the financial statements.

Related parties

As the Company is a wholly owned subsidiary of Nestware Holdings Limited, which is a subsidiary of Meditor Holdings Limited. The company has taken advantage of the exemption in accordance with FRS 101, in particular IAS 24, and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Meditor Holdings Limited, within which this Company is included, can be obtained from the address given in note 11.

Investment property

Property, plant and equipment are stated at historical cost less depreciation and any provision of impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Investment property - 50 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment

Assets that are subject to amortisation and are tested at least annually for impairment or when there is an indication of impairment. If there is an indication of impairment, the recoverable amount of either the asset or the cash-generating unit to which it belongs is estimated. Cash-generating units are used where an individual asset does not generate cash flows which are independent of other assets. The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash-generating unit.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Non-financial assets that suffer impairment are reviewed for possible reversal of impairment at each reporting date.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statements (continued) For the 18-month period ended 31 October 2020

2. Principal accounting policies (continued)

Revenue and revenue recognition

Revenue consists of rental income receivable from Carpetright Limited and is recognised on an accruals basis as the rental period falls due.

Tax

Current tax

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

Tax is charged or credited to other comprehensive income if it relates to items that are credited or charged to equity; otherwise, it is recognised in the income statement.

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis

Financial instruments

The company has no financial instruments, or derivatives except for Trade receivables and payables.

Trade receivables and payables are initially recognised at fair value and subsequently adjusted to the amount receivable or payable. Receivables are stated net of provision for impairment.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Prior year restatement

The financial statements for the prior years have been restated to show the deferred tax liability related to the property held by the company. The amount of the restatement is £730,619. This is a historical issue and relates to years earlier than 2018 and thus the earliest year presented in these financial statements has been restated. Further information is included in Note 13.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statements (continued) For the 18-month period ended 31 October 2020

2. Principal accounting policies (continued)

Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Useful economic lives of investment property

The annual depreciation charge for investment property is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, future investments, economic utilisation and the physical condition of the assets.

(b) Impairment of assets

Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or cash-generating unit is determined based on the higher of fair value, less costs to sell, and value in use calculations prepared on the basis of management's assumptions and estimates. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the cash-generating unit and the choice of a suitable discount rate in order to calculate the present value. Actual outcomes could vary significantly from these estimates.

3. Turnover

The Company operates solely in the UK and derived all its income in the period from rental income from Carpetright Limited.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statements (continued)
For the 18-month period ended 31 October 2020

4. Operating loss before taxation

	18-month period ended	Year ended
	31 October	30 April
	2020	2019
	£'000	£'000
Operating loss is stated after charging/(crediting):		
Depreciation of investment property	33	43
Investment property impairment	960	768
Audit fee	22	-
Rental income	(438)	(300)

An impairment charge of £960,000 (2019: £768,000) has been recognised in relation to investment property following updated external valuations by a third-party valuer see note 7.

The audit fee for 2019 was borne by Carpetright Limited. Carpetright Limited was the immediate parent undertaking up to 30 October 2020.

5. Directors and employees

The Company has no employees (2019: none). The Directors did not receive any remuneration for their services to the Company (2019: none).

6. Taxation

(a) Analysis of charge in the year

	18-month period ended	Year ended
	31 October	30 April
	2020	2019
	£'000	£'000
Current tax charge	-	-
Deferred tax charge	2,488	-
Tax charge	<u>2,488</u>	<u>-</u>

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statements (continued) For the 18-month period ended 31 October 2020

6. Taxation (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is different to (2019: different to) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	18-month period ended 31 October 2020 £'000	Year ended 30 April 2019 £'000
Loss before tax	(577)	(511)
Loss multiplied by the standard rate of corporation tax of 19% (2019: 19%)	(110)	(97)
Effects of:		
Depreciation in excess of capital allowances	6	8
Disallowed items	182	146
Deferred tax on group property transfer	2,488	-
Group loss relief	(78)	(57)
Tax on profit (Note 6a)	2,488	-

On 30 October 2020, the company purchased several properties from fellow group companies. The properties were transferred at net book value, which was equal to the market value as at the date of transfer. As these properties remained within the same tax group, historical deferred tax gains were also transferred with the properties. This resulted in a deferred tax charge of £2.5m in the period.

The UK treasury announced, in the Finance Act 2021, an increase in the main rate of corporation tax, to 25% from April 2023. This increase was not substantively enacted as at the balance sheet date and therefore this has not recognised in the financial statements. The increase in the tax rate to 25% will increase the deferred tax liability by £1.0m.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statements (continued) For the 18-month period ended 31 October 2020

7. Investment property

	Freehold land and buildings £'000
Cost	
At 1 May 2019	4,195
Additions	11,663
At 31 October 2020	15,858
Accumulated depreciation	
At 1 May 2019	1,946
Impairment	960
Charge in period	33
At 31 October 2020	2,939
Net book value at 31 October 2020	12,919
Net book value at 30 April 2019	2,249

On 30 October 2020 the company purchased freehold and long leasehold property from Carpetright Limited and Melford Commercial Properties Limited, at market value based on a valuation undertaken by an appropriately qualified and independent external third party.

This valuation led to a £960K impairment of the company's existing freehold property. The net book value of freehold properties equates to the open market value at the period end.

8. Creditors: amounts falling due within one year

	18-month period ended 31 October 2020 £'000	Year ended 30 April 2019 £'000
Amounts owed to the parent company	12,706	1,481
Accruals	22	-
	12,728	1,481

The amounts owed to the parent company are unsecured, interest free and are repayable on demand.

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statements (continued) For the 18-month period ended 31 October 2020

9. Deferred tax

The provision for deferred consists of the following deferred tax liabilities

	Deferred capital gains	Total
	£'000	£'000
At 1 May 2019 (restated)	731	731
Charged to income statement	2,488	2,488
At 31 October 2020	<u>3,219</u>	<u>3,219</u>

As explained in note 13, the opening balance has been restated to show the deferred tax liability that relates to the deferment of capital gains on the existing property held by the company and historically had been included in the group deferred tax position rather than at company level.

On 30 October 2020, the company purchased several properties from Carpetright Limited and Melford Commercial properties Limited, both being fellow group undertakings.

The properties were transferred at net book value, which was equal to the market value at the date of transfer. As the properties remained within the same tax group, historical deferred gains were also transferred with the properties. This resulted in a deferred tax charge of £2.5m in the period.

10. Called up share capital

	18-month period ended 31 October 2020	Year ended 30 April 2019
	£'000	£'000
Allotted, called up and fully paid		
2 (2019: 2) ordinary shares of £1 each	<u>-</u>	<u>-</u>

NESTWARE PROPERTIES LIMITED (FORMERLY CARPETRIGHT (TORQUAY) LIMITED)

Notes to the financial statements (continued) For the 18-month period ended 31 October 2020

11. Ultimate and immediate controlling party

As at the balance sheet date the immediate parent undertaking is Nestware Holdings Limited a company registered in England and Wales. The ultimate controlling party is the Trustee of The Nineveh Trust, a Trust registered in Bermuda.

The largest group in which the results of the Company are consolidated is that headed by Meditor Holdings Limited. These consolidated financial statements can be obtained from the Company Secretary, Nestware House, Purfleet Bypass, Purfleet, Essex, RM19 1TT.

12. Post balance sheet event

Following the period end the company acquired three additional freehold properties, for £5.9m, funded by further loans from its immediate parent undertaking – Nestware Holdings Limited. On 18 November 2020, the company was renamed as Nestware Properties Limited.

13. Post balance sheet event

Following a review of deferred rollover tax gains, it was identified that a deferred tax charge had not been recognised on the property that had been owned by the company historically. As a consequence, the net asset position of the company had been overstated.

	Year end 2018 as originally presented £'000	Impact of restatement £'000	Year end 2018 re-presented £'000
Deferred tax liabilities		(731)	(731)
Net Assets	1,279	(731)	548
Total shareholder funds	1,279	(731)	548